

Breakdown of SFC activity data

Table 1 Authorised unit trusts and mutual funds – by type

	As at 31.3.2020		As at 31.3.2019	
	Number	Total NAV (US\$ million)	Number	Total NAV (US\$ million)
Bond	465 (24.3%)	497,526 (36.4%)	474 (23.9%)	534,298 (34.2%)
Equity	945 (49.3%)	571,506 (41.8%)	1,005 (50.7%)	721,365 (46.2%)
Mixed ¹	184 (9.6%)	138,382 (10.1%)	181 (9.1%)	165,708 (10.6%)
Money market	43 (2.2%)	21,208 (1.6%)	44 (2.2%)	22,284 (1.4%)
Fund of funds	104 (5.4%)	17,908 (1.3%)	110 (5.5%)	22,581 (1.4%)
Index ²	170 (8.9%)	119,204 (8.7%)	162 (8.2%)	96,164 (6.2%)
Guaranteed	3 (0.2%)	59 (0%)	3 (0.2%)	72 (0%)
Hedge	1 (0.1%)	142 (0%)	0 (0%)	0 (0%)
Other specialised ³	0 (0%)	0 (0%)	5 (0.3%)	748 (0%)
Sub-total	1,915 (100%)	1,365,935 (100%) ⁴	1,984 (100%) ⁴	1,563,220 (100%)
Umbrella structures	220		232	
Total	2,135		2,216	

1 Previously presented as "Diversified".

2 Including leveraged and inverse products.

3 Including futures and options funds, structured funds and funds that invest in financial derivative instruments.

4 Percentages do not add up to total due to rounding.

Table 2 Authorised unit trusts and mutual funds – by origin

	As at 31.3.2020					As at 31.3.2019		
	Umbrella funds	Sub-funds	Single funds	Total	Total NAV (US\$ million)	Total	Total NAV (US\$ million)	
Hong Kong	142	543	77	762 (35.7%)	138,163 (10.1%)	789 (35.6%)	154,831 (9.9%)	
Luxembourg	46	985	1	1,032 (48.3%)	884,587 (64.8%)	1,064 (48%)	1,059,476 (67.8%)	
Ireland	23	197	2	222 (10.4%)	204,602 (15%)	218 (9.8%)	207,154 (13.3%)	
United Kingdom	3	10	24	37 (1.7%)	60,602 (4.4%)	53 (2.4%)	73,987 (4.7%)	
Mainland China	2	2	46	50 (2.3%)	18,496 (1.4%)	50 (2.3%)	19,615 (1.3%)	
Other Europe	0	0	0	0 (0%)	0 (0%)	3 (0.1%)	140 (0%)	
Bermuda	0	0	1	1 (0%)	142 (0%)	1 (0%)	153 (0%)	
Cayman Islands	4	17	5	26 (1.2%)	4,705 (0.3%)	30 (1.4%)	7,718 (0.5%)	
Others	0	0	5	5 (0.2%)	54,638 (4%)	8 (0.4%)	40,146 (2.6%)	
Total	220	1,754	161	2,135 (100%)¹	1,365,935 (100%)	2,216 (100%)	1,563,220 (100%)¹	

1 Percentages do not add up to total due to rounding.

Table 3 Takeovers activities

	2019/20	2018/19	2017/18
Codes on Takeovers and Mergers and Share Buy-backs			
General and partial offers under Code on Takeovers and Mergers	41	55	59
Privatisations	15	6	11
Whitewash waiver applications	13	21	41
Other applications under Code on Takeovers and Mergers ¹	281	275	289
Off-market and general offer share buy-backs	7	9	1
Other applications under Code on Share Buy-backs ¹	2	7	0
Total	359	373	401
Executive Statements			
Sanctions imposed with parties' agreement ²	3	2	5
Takeovers and Mergers Panel			
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	1	2
Hearings before the Panel (disciplinary and non-disciplinary)	2	0	1
Statements issued by the Panel ³	2	0	1

1 Including stand-alone applications and those made during the course of a code-related transaction.

2 Pursuant to section 12.3 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

3 Pursuant to section 16.1 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

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Table 4 Breaches noted during on-site inspections

	2019/20	2018/19	2017/18
Failure to comply with Securities and Futures (Financial Resources) Rules	9	9	12
Failure to safekeep client securities	31	32	38
Failure to maintain proper books and records	19	13	33
Failure to safekeep client money	42	28	59
Unlicensed dealing and other registration issues	14	17	23
Breach of licensing conditions	3	5	7
Breach of requirements of contract notes/statements of account/receipts	33	31	62
Failure to make filing/notification	5	1	2
Breach of margin requirements	5	8	5
Dealing malpractices	5	3	3
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ¹	273	275	320
Breach of Corporate Finance Adviser Code of Conduct	7	8	8
Breach of Fund Manager Code of Conduct	79	67	93
Breach of regulation of online trading	7	3	4
Non-compliance with anti-money laundering guidelines	331	201	175
Breach of other rules and regulations of the Exchanges ²	11	12	17
Internal control weaknesses ³	451	443	535
Others	164	80	80
Total	1,489	1,236	1,476

1 Commonly related to risk management, client agreements, safeguarding of client assets and information for or about clients.

2 The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

3 Comprised deficiencies in management review and supervision, operational controls over the handling of client accounts, segregation of duties, information management, adequacy of audit trail for internal control purposes, among other weaknesses.

Table 5 Successful prosecutions

Defendants	Date of conviction	Fine / Penalty	Investigation costs awarded
Insider dealing			
YIU Ka Lun Ken	5.11.2019	\$165,000 and imprisonment for two months and two weeks	\$147,560
Market manipulation			
TSOI Wan	23.5.2019	\$60,000	–
Provision of false/misleading statements			
CHAN Wai Chuen	11.4.2019	\$60,000	\$15,151

Note: Cases with fines below \$10,000 are not shown in this table.

Table 6 Other public disciplinary actions

Name	Date	Conduct	Action
SHIU Kin Keung Sammy	31.3.2020	Illegal short selling and regulatory breaches regarding cross trades	Banned from re-entering the industry for 28 months
WAT Hin Pong	31.3.2020	Failing to monitor staff dealings and supervise the operation of clients' discretionary accounts	Licence suspended for seven months
CHAN Tan Lo	19.3.2020	Overcharging clients in bond transactions and failing to provide accurate transaction information	Banned from re-entering the industry for 14 months
TSE Christopher	6.2.2020	Trading through his father's account without informing his employer and trading in a stock on the employer's restricted list	Banned from re-entering the industry for 12 months
SHIU Yau Wah	29.1.2020	Conducting trades for a client account on a discretionary basis without written authorisation	Licence suspended for five months
SONG Baojun	6.11.2019	Failing to obtain a client's specific authorisation before conducting unit trust transactions and advise the client to adopt a lower-cost option for other transactions	Banned from re-entering the industry for 12 months
NG Lok Kan, Vincent	2.10.2019	Unauthorised use of a client's account to push up a warrant's price when disposing of his holdings in the warrant	Banned from re-entering the industry for 30 months
CHEUNG Chiu Hung, Jacky	12.9.2019	Unauthorised transactions in a customer's accounts and forging a customer's signature	Banned from re-entering the industry for 24 months
LEE Kwok Tung, Samuel	19.8.2019	Impersonating a client to confirm trade orders	Banned from re-entering the industry for eight months
LAM Wai Kwong, Alfred and WONG Eva	15.7.2019	Failure to diligently supervise account executives and implement effective controls on short selling	Licences suspended for six months
HUI Kwok Piu	15.7.2019	Illegal short selling	Licence suspended for 16 months
SONG Peng	12.7.2019	Effecting transactions in a client's accounts without written authorisation and his employer's knowledge and approval	Banned from re-entering the industry for 10 months
WONG Ka Hang	28.5.2019	Accepting a third party's instructions to trade in a client's account without written authorisation	Banned from re-entering the industry for nine months
WANG Can	16.5.2019	Failure to comply with the firm's staff dealing policy	Banned from re-entering the industry for 30 months and fined \$7,800

Note: See Enforcement on pages 65-72 for details of the most significant disciplinary actions.

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Table 7 Other enforcement actions

	2019/20	2018/19	2017/18
S179 ¹ inquiries commenced	31	26	24
S181 ² inquiries commenced (number of letters sent)	231 (8,767)	294 (9,074)	261 (8,461)
S182 ³ directions issued	187	231	274
Rule 8 directions ⁴ issued	1	4	12
Show cause letters ⁴ issued	0	2	11
Cases with search warrants executed	17	30	22
Compliance advice letters issued	218	234	277
Criminal, Civil and Market Misconduct Tribunal (MMT) proceedings			
(a) Insider dealing			
Individuals/corporations summonsed (summons laid)	1 (2)	1 (5)	4 (7)
Individuals/corporations involved in ongoing civil proceedings	11	11	13
Individuals/corporations involved in ongoing MMT proceedings	7	5	0
(b) Market manipulation			
Individuals/corporations summonsed (summons laid)	1 (3)	0 (0)	0 (0)
Individuals/corporations involved in ongoing civil proceedings	18	0	0
Individuals/corporations involved in ongoing MMT proceedings	0	0	3
(c) Others			
Individuals/corporations summonsed (summons laid)	5 (5)	4 (37)	10 (47)
Individuals/corporations involved in ongoing civil proceedings	129	90	84
Individuals/corporations involved in ongoing MMT proceedings	27	25	13
Disciplinary enquiry			
Notices of Proposed Disciplinary Action ⁵ issued	35	22	29
Notices of Decision ⁶ issued (including S201 ⁷ agreement)	46	34	32
Securities and Futures Appeals Tribunal (SFAT) hearings			
Applications to SFAT	3	4	4
Applications/hearings completed	2	5	3

1 Section 179 of the Securities and Futures Ordinance (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.

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

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

4 A Rule 8 direction is issued by the SFC pursuant to Section 8 of the Securities and Futures (Stock Market Listing) Rules, directing The Stock Exchange of Hong Kong Limited (SEHK) to suspend trading in the shares of a listed company on grounds that the market is misinformed, disorderly or unfair. A show cause letter is sent by the SFC to inform a listed company that it is minded to exercise its power under the aforesaid Rules to direct SEHK to suspend trading in the shares of the company, in the absence of a satisfactory explanation.

5 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.

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

7 Section 201 of the SFO gives the SFC the power to resolve disciplinary proceedings by agreement when the SFC considers it appropriate to do so in the interest of the investing public or in the public interest.

Table 8 Statistical information and financial position of the Hong Kong securities industry¹

	As at 31.12.2019	As at 31.12.2018	As at 31.12.2017
Securities dealers and securities margin financiers	1,379	1,312	1,222
Active cash clients ²	1,423,007	1,410,319	1,320,332
Active margin clients ²	601,842	463,970	337,599
Active clients	2,024,849	1,874,289	1,657,931
Balance sheet	(\$ million)	(\$ million)	(\$ million)
Cash in hand and at bank ³	505,627	515,715	515,547
Amounts receivable from margin clients ⁴	165,919	180,800	205,977
Amounts receivable from clients and other dealers arising from dealing in securities	186,361	158,495	164,226
Proprietary positions	133,663	89,096	139,502
Other assets	331,341	282,426	312,152
Total assets	1,322,911	1,226,532	1,337,404
Amounts payable to clients and other dealers arising from dealing in securities	580,610	531,638	568,641
Total borrowings from financial institutions	119,934	111,396	170,411
Short positions held for own account	47,175	38,285	62,161
Other liabilities	159,784	148,483	164,033
Total shareholders' funds	415,408	396,730	372,158
Total liabilities and shareholders' funds	1,322,911	1,226,532	1,337,404
	12 months to 31.12.2019 (\$ million)	12 months to 31.12.2018 (\$ million)	12 months to 31.12.2017 (\$ million)
Profit and loss			
Total value of transactions ⁵	85,831,384	89,678,389	73,901,390
Net securities commission income	19,901	24,197	23,079
Gross interest income	23,172	22,471	17,259
Other income ⁶	118,809	114,637	107,079
Total operating income	161,882	161,305	147,417
Total overheads and interest expense	149,920	137,757	123,878
Total operating profit	11,962	23,548	23,539
Net profit on proprietary trading	13,201	14,783	11,667
Net profit for the period	25,163	38,331	35,206

1 Data were extracted from the monthly financial returns submitted under the Securities and Futures (Financial Resources) Rules by corporations licensed for dealing in securities or securities margin financing.

2 Active clients refer to clients for whom the licensed corporation is required to prepare and deliver monthly statements of account in respect of the relevant reporting month in accordance with the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules.

3 Cash in hand and at bank includes \$288,016 million in trust monies held on behalf of clients (31.12.2018: \$285,686 million).

4 As at 31.12.2019, the average collateral coverage was 3.9 times (as at 31.12.2018: 3.7 times). It represents the number of times the aggregate market value of securities collateral deposited by margin clients covers the total amount of margin loans due from these clients on a given date on an industry-wide basis.

5 The total value of transactions includes trading in equities, bonds and other securities in Hong Kong and overseas.

6 Other income comprises inter-company management fee income, advisory fees, asset management fees, underwriting fees and corporate finance income.

Committees, panels and tribunal

A number of committees and panels have been set up to advise the SFC on various matters and perform other functions as set out in their terms of reference. Their responsibilities and members are listed in this section. For information on the board committees and Executive Committee, see Corporate Governance on pages 12-33.

SFC Committees

Advisory Committee

Advises the SFC on any matter of policy regarding the performance of its functions.

Chairman	
LUI Tim Leung Tim, SBS, JP	
Members	
ALDER Ashley Ian, JP Dr AU King-lun, MH (to 31.5.2019) BENNETT Prudence Ann (to 31.5.2019) Prof CHAN Ka-lok CHAN Lap-tak Jeffrey CHAN Yuk-sing Freeman (from 1.6.2019) CHOI Fung Yee Christina (to 31.5.2019) CHRISTIANSON Sun Wei (to 31.5.2019) DING Chen GRAHAM David HO Yin Tung Brian (from 1.6.2019) KUNG Yeung Ann Yun-Chi	LEUNG Chung Yin Rico (from 20.9.2019) LEUNG Fung Yee Julia, SBS (to 31.5.2019) LUI Kei Kwong Keith (from 1.6.2019 to 27.8.2019) PUN Wing-nin Winnie (from 1.6.2019) SHIPMAN Mark Graham (to 31.5.2019) Dr TAN Yue-heng WINTER Richard David (to 31.5.2019) WONG Wai-man June (from 1.6.2019) YIEN Yu-yu Catherine (from 1.6.2019) YIM Lok-kui (from 1.6.2019) YIN Ke
Number of meetings: 2	Average attendance rate: 84%

Academic and Accreditation Advisory Committee

Approves industry-based courses and examinations for the purpose of meeting the licensing competence requirements, endorses applications from professional bodies and tertiary institutions as recognised institutions for providing continuous professional training (CPT), advises the SFC on areas to study in the context of enhancing Hong Kong's position as an international financial centre and provides input for the development of industry-related courses and training programmes.

During the year, the Committee met once to consider a number of matters, including an application to be a recognised institution for providing CPT and a review of the SFC's CPT regime and competency requirements.

Chairperson	
LEUNG Fung Yee Julia, SBS	
Members	
Dr CHAN Fung Cheung Wilson Dr CHAN Wing Ho Alex (from 12.9.2019) Prof CHENG Wui Wing Joseph CHEUNG Wai Kwok Gary Prof LEUNG Siu Fai Secretary MAN Hoi Yee Holly (from 2.12.2019)	LO Wai Shun Wilson PAN San Kong Terry PONG Po Lam Paul WONG Wing Fai Joseph
Number of meetings: 1	Average attendance rate: 70%

Committee on Real Estate Investment Trusts

Advises the SFC on general policy matters or regulatory issues that are related to the Code on Real Estate Investment Trusts (REITs), the overall market development of REITs, the property or securities market or investment management in Hong Kong or elsewhere, professional practices or guidelines that are involved in the operation of REITs, and fund investment or management in general.

During the year, the Committee met once to discuss policy issues in relation to REITs.

Chairperson	
CHOI Fung Yee Christina	
Members	
CHAN Duen Grace	KWOK Lam Kwong Larry, SBS, JP
Dr CHAN Ho Wah Terence	LAU Chun Kong, JP
CHAN Wing Hing Barry	LAU Ka Shi Betsy, BBS
CHIANG Sui Fook Lilian	NG Yiu Fai (Curtis NG)
HO Edmund	WONG Chi Ming Sally
HO Yin Tung Brian	WU Thomas Jefferson, JP
Prof HUI Chi Man, MH	YEONG Wei Ming Alexandra
Secretary	
LAU Tin Mei	
Number of meetings: 1	Average attendance rate: 93%

Disciplinary Chair Committee

Members are nominated by the Nominations Committee on the basis that they are duly experienced and legally qualified persons. Their role is to act as Chairman of the Takeovers and Mergers Panel in disciplinary proceedings under the Codes on Takeovers and Mergers and Share Buy-backs or of the Takeovers Appeal Committee on a case-by-case basis.

Members	
DAWES Victor, SC	LI Gladys Veronica, SC
JAT Sew Tong, SC, JP	SHIEH Wing Tai Paul, SC
LAM Douglas Tak Yip, SC	WONG Man Kit Anson, SC

Fintech Advisory Group

Aims to broaden the SFC's understanding of the opportunities, risks and regulatory implications of the latest Fintech trends and developments.

During the year, the Group met twice to discuss a range of topics, such as cloud computing, big data, blockchain, virtual assets, artificial intelligence and machine learning.

Chairperson	
LEUNG Fung Yee Julia, SBS	
Members	
ARSLANIAN Henri-Kevork	MA Henry
CHENG Andrew	MCCORMACK Urszula
JOHNSTONE Syren	Dr SPIEGL Florian Matthaeus
LEWIS Antony	TAN Jessica
Ex-officio member	
CHIU Ka Lai Clara	
Number of meetings: 2	Average attendance rate: 94%

Committees, panels and tribunal

Investor Compensation Fund Committee

Administers the Investor Compensation Fund and regulates its procedures in accordance with Part XII of the Securities and Futures Ordinance (SFO).

During the year, the Committee met once to consider the financial statements of the Fund and dealt with other administrative matters.

Chairman	
LUI Kei Kwong Keith (to 27.8.2019)	LEUNG Chung Yin Rico (from 30.8.2019)
Members	
ATKINSON Thomas Allan TAI Chi Kin (Calvin TAI)	Dr WONG Ming Fung William, SC, JP
Number of meetings: 1	Average attendance rate: 100%

Investor Compensation Company Limited Claims Committee

Reviews and determines investors' claims for compensation from the Investor Compensation Fund.

Chairman	
Dr WONG Ming Fung William, SC, JP	
Members	
CHAN Lui (Clara CHAN) FUNG Wei Lung Brian (to 7.8.2019) LEE Jor Hung (Dannis LEE) (from 8.8.2019) LEUNG Chung Yin Rico (from 6.9.2019) LO Dak Wai Alexandra, JP LUI Kei Kwong Keith (to 27.8.2019)	MAK Po Shuen (Olivia MAK) MONG Yee Wai (Lavina MONG) MUKADAM Thrity Homi TSO Pui Sze Teresa WAN Chi Yiu Andrew
Number of meetings: 0	Average attendance rate: N/A

Nominations Committee

Nominates members of the Takeovers and Mergers Panel, the Takeovers Appeal Committee and the Disciplinary Chair Committee.

During the year, the Committee met once to consider the appointment and reappointment of members to the above-mentioned panel and committees.

Chairman (ex-officio member)	
ALDER Ashley Ian, JP	
Members	
LUI Tim Leung Tim, SBS, JP Ex-officio members CLARK Stephen Edward Alternate members to CLARK Stephen Edward CHAN Yuk Sing Freeman KO Teresa Yuk Yin, JP LIU Chee Ming	Dr WONG Ming Fung William, SC, JP HO Yin Tung Brian MAGUIRE John Martin WEBB David Michael
Number of meetings: 1	Average attendance rate: 100%

Products Advisory Committee

The SFC may consult the Committee on a wide range of matters relating to the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, the SFC Code on MPF Products and the Code on Pooled Retirement Funds, overall market environment, industry practices and novel product features.

During the year, the Committee met once to discuss a review of the Code on Pooled Retirement Funds and proposed regulations for the offering of listed private equity funds.

Chairperson	
CHOI Fung Yee Christina	
Members	
ABRAT Katherine Anna	LYU Hong (Sandra LU)
AU Chi San Charity (Charity AU) (to 29.4.2019)	Dr MAK Sui Choi Billy
CHAN Duen Grace	Dr MALDONADO-CODINA Guillermo Eduardo (Bill MALDONADO)
CHAN Siu Ping Chordio	MILLS Guy Raymond Adam (from 14.6.2019)
CHIA Su Yen (from 21.2.2020 to 25.3.2020)	NOYES Keith Samuel (to 22.5.2019)
DING Chen	PAN San Kong Terry
FUNG Ka Shing Bernard	PANG Wai Sau Queenie
HUI Mei Ying (Carol HUI)	SHIPMAN Mark Graham
Dr HUNG Tin Yau Victor (to 7.4.2019)	TAM Sau Ngor Vera (from 21.2.2020)
LAU Karen Ga-Yun	TURL Graham Douglas (to 10.9.2019)
LAW Shing Mui Alice	TZATZAKIS Costa (Con TZATZAKIS)
LECKIE Stuart Hamilton, OBE, JP	WONG Man Yee (Fanny WONG)
LEE Chi Kee Trevor	WONG Pui Ling Pauline
LEE Kam Wing Bruno (from 20.9.2019)	YEONG Wei Ming Alexandra
LIU Yun Bonn	
Secretary	
POON Wing Yee Loreen	
Number of meetings: 1	Average attendance rate: 85%

Public Shareholders Group

Advises on issues relating to shareholders' rights and interests.

During the year, the Group met two times to discuss various policies, including a revised operational model for implementing an uncertificated securities market in Hong Kong.

Chairman	
HO Yin Tung Brian	
Members	
BENNETT Prudence Ann	TYE Philip Andrew
CHIA Chin-Ping (to 16.5.2019)	WANG Fang
HO Chi On John	WEI Zhen (from 13.8.2019)
HUANG Zhi Hong Rawen	WONG Chi Ming Sally
MO Yuen Man Anita (from 28.10.2019)	WONG David Nicholas
PARK Yoo Kyung	WONG Yu Tsang Alex
SCHLABBERS Manuel	WOO Ka Biu Jackson
Number of meetings: 2	Average attendance rate: 66%

Committees, panels and tribunal

Securities Compensation Fund Committee

Administers the Unified Exchange Compensation Fund and regulates its procedures in accordance with Part X of the repealed Securities Ordinance which, under section 74 of Schedule 10 to the SFO, continues to apply to and in relation to any claim for compensation from the Fund made before 1 April 2003.

During the year, the Committee met once to consider the Fund's financial statements and to deal with other administrative matters.

Chairman	
LUI Kei Kwong Keith (to 27.8.2019)	LEUNG Chung Yin Rico (from 30.8.2019)
Members	
ATKINSON Thomas Allan MAK Po Shuen (Olivia MAK)	TAI Chi Kin (Calvin TAI) Dr WONG Ming Fung William, SC, JP
Number of meetings: 1	Average attendance rate: 100%

SFC (HKEC Listing) Committee

Exercises powers and functions equivalent to those of the Main Board and GEM Listing Committees of The Stock Exchange of Hong Kong Limited (SEHK) when actual or potential conflicts of interest arise between Hong Kong Exchanges and Clearing Limited (HKEX) as the holding company of SEHK and the proper performance of SEHK's listing functions. In such cases, the relevant SEHK functions may be undertaken by the SFC.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman	
Members present in each Committee meeting will elect a Chairman among themselves at the beginning of that meeting.	
Members	
ALDER Ashley Ian, JP ATKINSON Thomas Allan CHAN Yuk Sing Freeman CHOI Fung Yee Christina EMSLEY Matthew Calvert LEUNG Chung Yin Rico (from 28.8.2019)	LEUNG Fung Yee Julia, SBS LUI Kei Kwong Keith (to 27.8.2019) PHADNIS Dhananjay Shrikrishna TYE Philip Andrew WONG David Nicholas YOUNG Andrew John
Number of meetings: 0	Average attendance rate: N/A

SFC (HKEC Listing) Appeals Committee

Exercises powers and functions equivalent to those of SEHK's Listing Appeals Committee when actual or potential conflicts of interest arise between HKEX and the proper performance of listing functions by SEHK. In such cases, the relevant powers and functions may be exercised by the SFC.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman	
Members present in each Committee meeting will elect a Chairman among themselves at the beginning of that meeting.	
Members	
AU Siu Cheung Albert, BBS (to 25.5.2019) CHAN Kam Wing Clement, MH (from 26.5.2019) CHAN Sui Kuen Agnes CHENG Wai Sun Edward, GBS, JP HUANG Lester Garson, SBS, JP	Dr LIN James C LO Kar Chun Nicky, SBS, JP (from 24.4.2019) LUI Tim Leung Tim, SBS, JP MA Xuezheng Mary (to 23.4.2019) Dr WONG Ming Fung William, SC, JP
Number of meetings: 0	Average attendance rate: N/A

Share Registrars' Disciplinary Committee

Hears and determines disciplinary matters relating to share registrars in the first instance.

There was no circumstance which called for a meeting of the Committee during the year.

Chairman	
NORMAN David Michael	
Deputy Chairman	
CHAN Henry	
Members	
CHUI Ming Wai (Vivian CHUI) FOOTMAN Michael Henry Charles LAM Hui Yip (Clement LAM) LEE Virginia Yuen Man	LO Dak Wai Alexandra, JP TSAI Wing Chung Philip, BBS, JP WONG Man Yee (Fanny WONG)
Number of meetings: 0	Average attendance rate: N/A

Share Registrars' Disciplinary Appeals Committee

Hears and determines appeals from the Share Registrars' Disciplinary Committee. Each appeal is heard by members of the Share Registrars' Disciplinary Committee who did not preside or participate in the case's disciplinary hearing.

There were no circumstances which called for a meeting of the Committee during the year.

Committees, panels and tribunal

Takeovers and Mergers Panel

Hears disciplinary matters in the first instance and reviews rulings by the Takeovers Executive¹ at the request of any party dissatisfied with such a ruling. Considers novel, important or difficult cases referred to it by the Executive. Reviews, upon request by the SFC, the provisions of the Codes on Takeovers and Mergers and Share Buy-backs and the Rules of Procedure for hearings under the Codes and recommends appropriate amendments to the Codes and Rules of Procedure to the SFC.

During the year, the Panel met twice to discuss non-disciplinary matters.

Chairman	
CLARK Stephen Edward	
Deputy Chairpersons	
CHAN Yuk Sing Freeman KO Teresa Yuk Yin, JP LIU Chee Ming	MAGUIRE John Martin WEBB David Michael
Members	
BIDLAKE Alexandra BROWN Melissa CHAN Che Chung (Conrad CHAN) CHARLTON Julia Frances CHENG Wai Sun Edward, GBS, JP FU Yat Hung David (to 14.1.2020) IP Koon Wing Ernest LAM Chor Lai Celia LEE Kam Hung Lawrence, BBS, JP LIU Yun Bonn NORMAN David Michael NORRIS Nicholas Andrew PARK Yoo Kyung	SABINE Martin Nevil SCHWILLE Mark Andrew SHAH Asit Sudhir SOUTAR James Alexander VAS CHAU Lai Kun Judy WINTER Richard David WOLHARDT Julian Juul WONG Wai Ming WONG Yu Tsang Alex WOO Ka Biu Jackson YU Ka Po Benita YUEN Ka Fai (Frank YUEN)
Number of policy meetings: 0	Average attendance rate: N/A
Number of non-disciplinary hearings: 2	Average attendance rate: N/A²
Number of disciplinary hearings: 0	Average attendance rate: N/A

¹ The Takeovers Executive refers to the Executive Director of the Corporate Finance Division of the SFC or his delegate.

² The Chairman will appoint not less than four panel members to participate in hearings, and the attendance of other members is not required.

Takeovers Appeal Committee

Reviews disciplinary rulings of the Takeovers and Mergers Panel at the request of an aggrieved party for the sole purpose of determining whether any sanction imposed by the Panel is unfair or excessive.

There were no circumstances which called for a meeting of the Committee during the year.

Members	
BIDLAKE Alexandra	NORRIS Nicholas Andrew
BROWN Melissa	PARK Yoo Kyung
CHAN Che Chung (Conrad CHAN)	SABINE Martin Nevil
CHAN Yuk Sing Freeman	SCHWILLE Mark Andrew
CHARLTON Julia Frances	SHAH Asit Sudhir
CHENG Wai Sun Edward, GBS, JP	SOUTAR James Alexander
CLARK Stephen Edward	VAS CHAU Lai Kun Judy
FU Yat Hung David (to 14.1.2020)	WEBB David Michael
IP Koon Wing Ernest	WINTER Richard David
KO Teresa Yuk Yin, JP	WOLHARDT Julian Juul
LAM Chor Lai Celia	WONG Wai Ming
LEE Kam Hung Lawrence, BBS, JP	WONG Yu Tsang Alex
LIU Chee Ming	Woo Ka Biu Jackson
LIU Yun Bonn	YU Ka Po Benita
MAGUIRE John Martin	YUEN Ka Fai (Frank YUEN)
NORMAN David Michael	
Number of meetings: 0	Average attendance rate: N/A

Independent Panels and Tribunal

Leveraged Foreign Exchange Trading Arbitration Panel

Resolves disputes in accordance with the Securities and Futures (Leveraged Foreign Exchange Trading) (Arbitration) Rules.

The panel received no new cases during the year and none were carried over from the previous year.

Chairman	
LAM Yuk Kun Lawrence	
Deputy Chairman	
LEE Pui Shan Rosita	
Members	
CHAN Siu-ping Chordio	LEUNG Tak-lap
CHEUNG Tai Keung Jack	

Committees, panels and tribunal

Process Review Panel for the Securities and Futures Commission

Reviews and advises the SFC upon the adequacy of the SFC's internal procedures and operational guidelines governing the action taken and decisions made by the SFC and its staff in the performance of its regulatory functions, including those related to the handling of complaints, licensing applications, inspection of intermediaries, investment products authorisation, exercise of investigation and disciplinary action, and corporate finance transactions (including the administration of listing rules).

Chairman	
LEE Kam-hung Lawrence, BBS, JP	
Members	
CHAN Lap-tak Jeffrey	KWAN Wing-han Margaret
CHAN Lena	KWOK Tun-ho Chester
CHAU Suet-fung Dilys	LAI Hin-wing Henry
CHUA Suk-lin Ivy	Dr MAK Sui-choi Billy
CHUI Yik-chiu Vincent	TSANG Sui-cheong Frederick
DING Chen	YUEN Shuk-kam Nicole
Ex-officio members	
CHEUNG Kam-Wai Christina, JP	LUI Tim Leung Tim, SBS, JP

Securities and Futures Appeals Tribunal

Reviews a range of specified decisions made under the SFO by the SFC, the Monetary Authority or a recognised investor compensation company, and hears and determines any question or issue arising out of or in connection with any review.

Chairman	
HARTMANN Michael John, GBS	
KWOK Hing Wai Kenneth, SBS, SC, JP	
TALLENTIRE Garry	
LUNN Michael Victor, GBS	
Members	
CHAN Chun-hung Vincent	MAK Kwong-fai
Prof CHAN Koon-hung	Dr MAK Sui-choi Billy
CHAN Lap-tak Jeffrey	MUH Yi-tong Anthony
CHAN Mei-bo Mabel	NG Joo-yeow Gerry
CHENG Wai-sum Yvonne	SHIH Edith
CHING Kim-wai Kerry	TSANG Chi-wai Roy
DATWANI Mohan	TSANG Kam-yin Wendy
HUI Ming-ming Cindi	WONG Hin-wing Simon
KONG Chi-how Johnson	WONG Kwok-ching Jamee
LAI Hin-wing Henry	YAU Yu-xin Amelia
LAM Chi-yuen Nelson	YUEN Miu-ling Wendy
LEUNG Ming-hym Peter	ZEE Helen
Prof LEUNG Siu-fai	

Glossary and abbreviations

Automated trading services (ATS)

Electronic facilities, outside of those provided by a recognised exchange company or clearing house, through which participants may trade, clear and settle securities, futures contracts and over-the-counter derivatives.

Central counterparty

Facilitates trading in derivatives and equities markets by acting as the buyer to every seller and the seller to every buyer, thereby ensuring the performance of open contracts.

Circuit breaker

A mechanism which temporarily halts trading when triggered by extreme price movements. It may be imposed on individual securities or the market as a whole.

Crypto-assets

Includes cryptocurrencies, funds investing in cryptocurrencies and related products, cryptocurrency futures contracts and structured products.

Exchange participant

A company with rights to trade on or through The Stock Exchange of Hong Kong Limited or Hong Kong Futures Exchange Limited.

Financial Action Task Force (FATF)

An inter-governmental body established to set standards and promote measures to combat money laundering, terrorist financing and related threats to the integrity of the international financial system.

Financial Stability Board (FSB)

An international body which promotes global financial stability through recommendations for, and the implementation and monitoring of, policy initiatives and international standards.

GEM

A stock market operated by Hong Kong Exchanges and Clearing Limited to provide fund-raising opportunities for small to mid-sized companies which may not meet the Main Board listing requirements. Formerly known as the Growth Enterprise Market.

Group of Twenty (G20)

An international forum for the governments and central bank governors from 19 of the world's major economies plus the European Union.

Hong Kong Trade Repository

A centralised registry of records of over-the-counter derivatives transactions.

International Organization of Securities Commissions (IOSCO)

A body of securities regulators worldwide which develops, implements and promotes adherence to internationally recognised standards for securities regulation.

Investment-linked assurance scheme (ILAS)

A life insurance policy with investment elements which provides both insurance protection and investment options, usually through funds.

Leveraged and inverse products

Products structured as exchange-traded funds for public offering in Hong Kong. Leveraged products aim to deliver a daily return equivalent to a multiple of the underlying index return while inverse products aim to deliver the opposite of the daily return of the underlying index.

Mandatory general offer

A general offer to buy the remaining shares in a company when a person or a group of persons acting together acquires 30% or more of the company's voting rights, or if the person or group already holds between 30% and 50% of the voting rights, when that holding increases by more than 2% in any 12-month period.

Market Misconduct Tribunal (MMT)

An independent full-time body established under the Securities and Futures Ordinance which imposes civil sanctions against those it determines to be guilty of market misconduct.

Open-ended fund companies (OFC)

Collective investment schemes structured in corporate form with limited liability and variable share capital.

Glossary and abbreviations

Over-the-counter (OTC) derivatives

Financial instruments which are usually traded directly between dealers and principals rather than via an exchange and whose values are derived from those of underlying assets.

Prime services

One-stop-shop services—including trade execution and clearing, securities borrowing and lending, custody, financing solutions, reporting, capital introduction and consulting services—provided to institutional clients.

Real estate investment trust (REIT)

A collective investment scheme constituted as a trust which invests primarily in real estate with the aim to provide returns derived from rental income.

Securities and Futures Appeals Tribunal (SFAT)

A body established under the Securities and Futures Ordinance to review specified decisions made by the SFC, the Hong Kong Monetary Authority or a recognised investor compensation company.

Securities and Futures Ordinance (SFO)

Together with subsidiary legislation, the law in Hong Kong relating to financial products, the securities and futures market and industry, as well as to their regulation and other matters including investor protection.

Security tokens

Digital representations of ownership of assets (eg, gold or real estate) or economic rights (eg, a share of profits or revenue) utilising blockchain technology.

Undertakings for the Collective Investment in Transferable Securities (UCITS)

A single European regulatory framework which allows funds to be distributed publicly to investors across the European Union (EU). UCITS funds are also distributed outside the EU.

Unit trust

A collective investment scheme constituted in trust form.

Virtual assets

Digital representations of value, such as cryptocurrencies, crypto-assets and digital tokens.

Whitewash waiver

A waiver of a party's obligation to make a mandatory offer to other shareholders under the Takeovers Code.