

# 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.

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### **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.