

## Opening remarks at SFC 30th Anniversary Cocktail 2019

**Mr Ashley Alder**  
Chief Executive Officer

**28 October 2019**

This is a special anniversary for the Securities and Futures Commission (SFC). I would like to thank all those who are with us this evening whose efforts – whether as SFC board members, SFC staff or our other supporters – have enabled the organisation to go from strength to strength over all these years.

Thirty years is a long time. It would take quite a while to thank all of you individually. But the least I can do is to go back to the very beginning, starting with Robert Owen. He was our first Chairman back in 1989. Also here tonight are Chairman Tim Lui and former chairmen Anthony Neoh, Eddy Fong and Carlson Tong. All of them were brave enough to take up the challenge to follow in Robert's footsteps.

Some of you who were at the SFC in the early days may still recall a saga where a very important and influential company put enormous pressure on the SFC to change some of our key investor protection rules for the company's own benefit. It threatened to move its listing overseas if we refused to do so.

I am told that some of you were even summoned to Government House which put you under further pressure. The fact-specific issues at stake no longer matter. But the point is this: you dug in your heels and you refused to cave in.

In my view, it is this brand of ethical, clear-eyed and tough decision-making which set the tone for an organisation whose effectiveness – founded on the bedrock of the rule of law – has been absolutely crucial to the astonishing growth of Hong Kong as an international financial centre ever since.

This growth has resulted in capital markets which are unrecognisable compared to 30 years ago. They are now far larger and far more complex.

But they are also the place where, every day, huge volumes of international, local and Mainland investment flows are able to move between global and mainland markets with certainty and with confidence.

I am proud that the SFC's efforts as a regulator were always critical to the sound development and implementation of the policy initiatives which enabled the market to transform so rapidly.

Of course, the SFC also had to adapt to these transformations. Most recently, we have pursued a bold new strategy designed to tackle and deter novel forms of misconduct,

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Note: This is the text of the speech as drafted, which may differ from the delivered version.



especially in our listed markets. We have labelled this “front-loaded” regulation. It has already led to much better outcomes.

But at a more fundamental level, nothing has really changed from 30 years ago, when our predecessors resisted huge pressure to compromise the SFC’s mission.

Building on their example, we must continue to deliver the outcomes which the public has a perfect right to expect, even though some of what we do will be resisted by interests which are often powerful and influential. We must always recognise that public trust is the acid test of our effectiveness.

And this leads me back to that well-worn phrase – “the rule of law”. For me it simply means that public authorities like us are never above the law. We can and should always be held publicly and transparently accountable for our actions.

To give you just one example – no enforcement decision we make is ever a final decision with no recourse. Our actions against firms are subject to review by the independent Securities and Futures Appeals Tribunal and all our other actions are ultimately in the hands of the independent courts or the Market Misconduct Tribunal.

Sometimes these courts and tribunals do not agree with us. But we value and learn from those experiences and use them to improve how we operate. We are also subject to many other checks and balances, and I am sure that those of you here who have served on our board as Non-executive Directors will agree that SFC executives do not mark their own homework.

These checks and balances, which hinge and depend on an independent judiciary as well as an independent press, are absolutely crucial for our mission in Hong Kong, and for our international standing. All financial markets are dependent for their success – or survival – on broadly-based investor confidence, which would evaporate if the accountability of the SFC under the rule of law were eroded.

So my message on this significant anniversary is this. Hong Kong is currently facing unprecedented political and social challenges. But I believe that, as with previous crises, we can together find a way through. As part of this effort, an SFC which continues to value the traditions of independence, integrity and public accountability which were so evident even in the early days, and which remain our guiding principles, can certainly look forward to even greater success over the next 30 years.

Thank you.