

Breakdown of SFC Activity Data

Table 1 Takeovers activities

	2021/22	2020/21	2019/20
Codes on Takeovers and Mergers and Share Buy-backs			
General and partial offers under Code on Takeovers and Mergers	45	38	41
Privatisations	21	31	15
Whitewash waiver applications	22	33	13
Other applications under Code on Takeovers and Mergers ¹	291	361	281
Off-market and general offer share buy-backs	5	5	7
Other applications under Code on Share Buy-backs ¹	1	1	2
Total	385	469	359
Executive Statements			
Sanctions imposed with parties' agreement ²	3	4	3
Takeovers and Mergers Panel			
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	1	0	0
Hearings before the Panel (disciplinary and non-disciplinary)	0	0	2
Statements issued by the Panel ³	0	0	2

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.

Table 2 Breaches noted during on-site inspections

	2021/22	2020/21	2019/20
Failure to comply with Securities and Futures (Financial Resources) Rules	10	4	9
Failure to safekeep client securities	23	28	31
Failure to maintain proper books and records	20	20	19
Failure to safekeep client money	35	35	42
Unlicensed dealing and other registration issues	12	9	14
Breach of licensing conditions	0	1	3
Breach of requirements of contract notes/statements of account/receipts	53	28	33
Failure to make filing/notification	1	3	5
Breach of margin requirements	6	3	5
Marketing malpractices	3	0	0
Dealing malpractices	3	4	5
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ¹	265	262	273
Breach of Corporate Finance Adviser Code of Conduct	11	6	7
Breach of Fund Manager Code of Conduct	135	142	79
Breach of regulation of online trading	12	3	7
Non-compliance with anti-money laundering guidelines	301	208	331
Breach of other rules and regulations of the Exchanges ²	9	3	11
Internal control weaknesses ³	427	515	451
Others	90	76	164
Total	1,416	1,350	1,489

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.

Breakdown of SFC Activity Data

Table 3 Hong Kong domiciled authorised funds

By type	As at 31.3.2022		As at 31.3.2021	
	Number	Total NAV (US\$ million)	Number	Total NAV (US\$ million)
Bond ¹	174 (24.1%)	30,925 (17.3%)	165 (24%)	39,395 (20.6%)
Equity ¹	199 (27.5%)	55,601 (31.1%)	201 (29.2%)	64,255 (33.7%)
Mixed ¹	110 (15.2%)	33,402 (18.7%)	109 (15.8%)	33,030 (17.3%)
Money market	37 (5.1%)	9,548 (5.3%)	33 (4.8%)	8,424 (4.4%)
Feeder funds ²	41 (5.7%)	23 (0%)	37 (5.4%)	28 (0%)
Index ³	161 (22.3%)	49,102 (27.5%)	142 (20.6%)	45,727 (24%)
Guaranteed	1 (0.1%)	41 (0%)	1 (0.1%)	52 (0%)
Sub-total	723 (100%)	178,642 (100%) ⁴	688 (100%) ⁴	190,909 ⁴ (100%)
Umbrella structures	143		147	
Total	866		835	

Note: Unit trusts and mutual funds authorised under the Code on Unit Trusts and Mutual Funds.

- From 31 December 2021, funds of funds (excluding feeder funds) have been re-categorised into other types of funds based on the underlying exposure of their investment strategies. For comparison purposes, similar adjustments have been made to the number of funds and the total NAV figure of certain fund types as at 31 March 2021.
- From 31 December 2021, feeder funds have been separated from the previous “Fund of funds” category. For comparison purposes, similar adjustments have been made to the number and the total NAV figure for feeder funds as at 31 March 2021. In addition, the NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV figures in the “Feeder funds” category to better reflect the total assets under management.
- Including exchange-traded funds and leveraged and inverse products.
- Figures do not add up to total due to rounding.

Table 4 Non-Hong Kong domiciled authorised funds

a) By origin	As at 31.3.2022						As at 31.3.2021					
	Umbrella funds	Sub-funds	Single funds	Total		Total NAV (US\$ million)		Total		Total NAV (US\$ million)		
Luxembourg	50	982	1	1,033	(74.8%)	1,319,312	(75.5%)	1,035	(74.9%)	1,399,343	(76%)	
Ireland	23	217	2	242	(17.5%)	249,259	(14.3%)	238	(17.2%)	275,782	(15%)	
United Kingdom	3	8	18	29	(2.1%)	75,548	(4.3%)	30	(2.2%)	75,015	(4.1%)	
Mainland China	2	2	45	49	(3.5%)	27,853	(1.6%)	51	(3.7%)	25,234	(1.4%)	
Bermuda	0	0	1	1	(0.1%)	135	(0%)	1	(0.1%)	128	(0%)	
Cayman Islands	3	15	4	22	(1.6%)	2,048	(0.1%)	22	(1.6%)	4,358	(0.2%)	
Others	0	0	5	5	(0.4%)	73,155	(4.2%)	5	(0.4%)	61,049	(3.3%)	
Total	81	1,224	76	1,381	(100%)	1,747,310	(100%)	1,382	(100%)¹	1,840,909	(100%)	

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

b) By type	As at 31.3.2022				As at 31.3.2021			
	Number		Total NAV (US\$ million)		Number		Total NAV (US\$ million)	
Bond ¹	358	(27.5%)	523,431	(30%)	348	(26.7%)	609,603	(33.1%)
Equity ¹	757	(58.2%)	918,428	(52.6%)	754	(58%)	941,707	(51.2%)
Mixed ¹	142	(10.9%)	182,033	(10.4%)	137	(10.5%)	162,558	(8.8%)
Money market	14	(1.1%)	9,039	(0.5%)	16	(1.2%)	11,375	(0.6%)
Feeder funds ²	3	(0.2%)	0	(0%)	3	(0.2%)	0	(0%)
Index ³	25	(1.9%)	114,244	(6.5%)	42	(3.2%)	115,538	(6.3%)
Hedge	1	(0.1%)	135	(0%)	1	(0.1%)	128	(0%)
Sub-total	1,300	(100%) ⁴	1,747,310	(100%)	1,301	(100%) ⁴	1,840,909	(100%)
Umbrella structures	81				81			
Total	1,381				1,382			

Note: Unit trusts and mutual funds authorised under the Code on Unit Trusts and Mutual Funds.

- 1 From 31 December 2021, funds of funds (excluding feeder funds) have been re-categorised into other types of funds based on the underlying exposure of their investment strategies. For comparison purposes, similar adjustments have been made to the number of funds and the total NAV figure of certain fund types as at 31 March 2021.
- 2 From 31 December 2021, feeder funds have been separated from the previous "Fund of funds" category. For comparison purposes, similar adjustments have been made to the number and the total NAV figure for feeder funds as at 31 March 2021. In addition, the NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV figures in the "Feeder funds" category to better reflect the total assets under management.
- 3 Including exchange-traded funds.
- 4 Figures do not add up to total due to rounding.

Breakdown of SFC Activity Data

Table 5 Successful prosecutions

Defendant	Date of conviction	Fine	Investigation costs awarded
Disclosure of interests			
GAO Yuan	20.4.2021	\$18,000	\$6,326
LAM Ching Kui	30.12.2021	\$10,000	\$10,814
Wai Chun Holdings Group Limited	30.12.2021	\$10,000	\$10,814

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

Table 6 Other public disciplinary actions

Name	Date	Breaches	Action
KIM Bum Suk	29.3.2022	Operated client accounts in a discretionary manner without obtaining written authorisation	Banned from re-entering the industry for 27 months
MA Kwok Ho	9.11.2021	Effected discretionary trades in client accounts without obtaining written authorisation	Banned from re-entering the industry for two years
GEE King Yip	9.11.2021	Traded stocks jointly with a client in the client's accounts without separately recording and clearly identifying the transactions as the firm's employee's	Banned from re-entering the industry for 16 months
CHEUNG Man Chit	30.8.2021	Submitted false client documents and information to his employers, transferred client money through his related bank accounts and conducted trades in a client's account without his employer's knowledge	Suspended for two years
BUDIWARDJO Wilhelm Soeharsono and SHING Yan	19.7.2021	Failed to discharge their duties as responsible officers and members of senior management which contributed to their firm's breaches of anti-money laundering and counter-financing of terrorism (AML/CFT) regulatory requirements	Suspended for 10 months (BUDIWARDJO) and seven months (SHING)
LEUNG Tak Shing, Raymond	5.7.2021	Failed to discharge his duties as a member of senior management which contributed to his firm's breaches of AML/CFT regulatory requirements	Reprimanded and fined \$400,000
LAU Kwo	5.7.2021	Made false representations in client account opening documents and conducted trades in client accounts without his employer's knowledge	Banned from re-entering the industry for 12 months
LUN Sheung Nim	10.6.2021	Failed to discharge his duties as a responsible officer and a member of senior management which contributed to his firm's breaches of licensing conditions and failures in its sale of unlisted bonds	Suspended for 7.2 months

Table 7 Other enforcement activities

	2021/22	2020/21	2019/20
S179 ¹ inquiries commenced	57	42	31
S181 ² inquiries commenced (number of letters sent)	203 (7,308)	246 (8,748)	231 (8,767)
S182 ³ directions issued	214	189	187
Rule 8 directions ⁴ issued	0	0	1
Show cause letters ⁴ issued	0	0	0
Cases with search warrants executed	37	28	17
Compliance advice letters issued	162	231	218
Criminal, Civil and Market Misconduct Tribunal (MMT) proceedings			
(a) Insider dealing			
Individuals/corporations summonsed (summons laid)	0 (0)	1 (1)	1 (2)
Individuals/corporations involved in ongoing civil proceedings	8	11	11
Individuals/corporations involved in ongoing MMT proceedings	2	3	7
(b) Market manipulation			
Individuals/corporations summonsed (summons laid)	0 (0)	6 (6)	1 (3)
Individuals/corporations involved in ongoing civil proceedings	18	18	18
Individuals/corporations involved in ongoing MMT proceedings	0	0	0
(c) Others			
Individuals/corporations summonsed (summons laid)	4 (28)	3 (21)	5 (5)
Individuals/corporations involved in ongoing civil proceedings	142	150	129
Individuals/corporations involved in ongoing MMT proceedings	11	20	27
Disciplinary enquiry			
Notices of Proposed Disciplinary Action ⁵ issued	37	27	35
Notices of Decision ⁶ issued (including S201 ⁷ agreement)	43	35	46
Securities and Futures Appeals Tribunal (SFAT) hearings			
Applications to SFAT	8	6	3
Applications/hearings completed or withdrawn	2	4	2

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.

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Environmental, Social and Governance

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

	As at 31.12.2021	As at 31.12.2020	As at 31.12.2019
Securities dealers and securities margin financiers	1,433	1,391	1,379
Active cash clients ²	1,939,379	1,737,281	1,423,007
Active margin clients ²	2,219,721	1,470,396	601,842
Active clients	4,159,100	3,207,677	2,024,849
Balance sheet	(\$ million)	(\$ million)	(\$ million)
Cash in hand and at bank ³	694,492	640,379	505,627
Amounts receivable from margin clients ⁴	218,436	201,916	165,919
Amounts receivable from clients and other dealers arising from dealing in securities	211,398	333,878	186,361
Proprietary positions	148,661	212,763	133,663
Other assets	385,566	423,539	331,341
Total assets	1,658,553	1,812,475	1,322,911
Amounts payable to clients and other dealers arising from dealing in securities	770,952	877,314	580,610
Total borrowings from financial institutions	98,429	156,267	119,934
Short positions held for own account	16,718	78,572	47,175
Other liabilities	244,242	234,265	159,784
Total shareholders' funds	528,212	466,057	415,408
Total liabilities and shareholders' funds	1,658,553	1,812,475	1,322,911

	12 months to 31.12.2021 (\$ million)	12 months to 31.12.2020 (\$ million)	12 months to 31.12.2019 (\$ million)
Profit and loss			
Total value of transactions ⁵	160,931,088	129,651,195	85,831,384
Net securities commission income	31,329	28,374	19,901
Gross interest income	19,394	19,493	23,172
Other income ⁶	166,746	150,159	118,809
Total operating income	217,469	198,026	161,882
Total overheads and interest expense	173,978	167,122	149,920
Total operating profit	43,491	30,904	11,962
Net profit on proprietary trading	21,397	16,649	13,201
Net profit for the period	64,888	47,553	25,163

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. Figures reported by an overseas incorporated licensed corporation which carries out its principal business activities outside Hong Kong and operates in Hong Kong as a branch office were excluded.

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

3 Cash in hand and at bank include trust monies held on behalf of clients which totalled \$452,407 million (31.12.2020: 437,280 million).

4 As at 31.12.2021, the average collateral coverage was 4.2 times (as at 31.12.2020: 4.6 times). It represents the number of times the aggregate market value of securities collateral deposited by margin clients over the total amount of margin loan 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 Comprises fund management fee income, corporate finance income, inter-company management fee income and others.

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 14-35.

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, SBS, JP Prof CHAN Ka-lok CHAN Lap-tak Jeffrey (to 31.5.2021) CHAN Yuk Sing Freeman CHOI Fung-yee Christina (from 1.6.2021) DING Chen (to 31.5.2021) GRAHAM David (to 31.5.2021) HO Yin Tung Brian (to 31.5.2021) KUNG Yeung Ann Yun-Chi, JP LEUNG Chung Yin Rico (to 31.5.2021) LEUNG Fung-yee Julia, SBS, JP (from 1.6.2021)	LI Tong (from 1.6.2021) NG Siu-mui Fion (from 1.6.2021) PUN Wing-nin Winnie TAI Chi-kin Calvin (from 1.6.2021) Dr TAN Yue-heng, JP TSE Yung-hoi, BBS (from 1.6.2021) WONG Wai-man June YIEN Yu-yu Catherine YIM Lok-kui YIN Ke (to 31.5.2021)
Number of meetings: 4	Average attendance rate: 85%

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, 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 the progress of the public consultation on the enhanced competency framework, the scope of the new licensing examination Paper 17 on "Regulation of Takeovers and Share Buy-backs" and the overseas licensing examination arrangements made by the Hong Kong Securities and Investment Institute.

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

Committees, Panels and Tribunal

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.

There was no meeting during the year.

Chairperson	
CHOI Fung-yea Christina	
Members	
CHAN Duen Grace	NG Yiu Fai (Curtis NG)
Dr CHAN Ho Wah Terence	TANG Siau Feng, Megan (from 28.8.2021)
CHAN Wing Hing Barry	WONG Chi Ming Sally
CHIANG Sui Fook Lilian	WONG Sing Ming (Rita WONG)
HO Edmund	WU Thomas Jefferson, JP
HO Yin Tung Brian (to 27.8.2021)	YEONG Wei Ming Alexandra
Prof HUI Chi Man, MH	YUEN Ka Fai (Frank YUEN)
LAU Ka Shi Betsy, BBS	
Secretary	
LAU Tin Mei	
Number of meetings: 0	Average attendance rate: N/A

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	SHIEH Wing Tai Paul, SC
JAT Sew Tong, SC, JP	WONG Man Kit Anson, SC
LAM Douglas Tak Yip, SC	

Fintech Advisory Group

The 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 digital wealth management, opportunities in environmental, social and governance (ESG) and international developments in the virtual asset landscape.

Chairperson	
LEUNG Julia Fung-ye, SBS, JP	
Ex-officio members	
CHIU Ka Lai Clara (to 31.10.2021)	WONG Elizabeth Lok Yan (from 18.10.2021)
Members	
ARSLANIAN Henri KIEW-SMITH Christopher LEI Kelvin LEWIS Antony LI Shu Pui	Prof LIN Chen MA Henry Prof POON Jack Dr SPIEGL Florian TAN Jessica
Number of meetings: 2	Average attendance rate: 100%

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 deal with other administrative matters.

Chairman	
LEUNG Chung Yin Rico	
Members	
ATKINSON Thomas Allan Dr LIN James C.	KOK Ka Keung (Kenneth KOK) (to 31.12.2021)
Number of meetings: 1	Average attendance rate: 100%

Committees, Panels and Tribunal

Investor Compensation Company Limited Claims Committee

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

Chairman	
Dr LIN James C.	
Members	
CHAN Lui (Clara CHAN) CHUI Ming Wai (Vivian CHUI) (from 8.8.2021) Kwok Hom Siu (Sally KWOK) LEE Jor Hung (Dannis LEE) LEUNG Chung Yin Rico	MONG Yee Wai (Lavina MONG) MUKADAM Thrity Homi TSO Pui Sze (Teresa TSO) (to 7.8.2021) TSUI Kam Yip (Alison TSUI) 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, SBS, JP	
Members	
LUI Tim Leung, Tim, SBS, JP Ex-officio members CHAN Yuk Sing Freeman HO Yin Tung Brian (to 27.8.2021) Alternate members to CHAN Yuk Sing Freeman CLARK Stephen Edward KO Teresa Yuk Yin, JP LAM Chor Lai, Celia MAGUIRE John Martin	DAWES Victor, SC TANG Siau Feng, Megan (from 28.8.2021) SCHWILLE Mark Andrew WEBB David Michael YU Ka Po Benita
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 held a meeting to discuss the key product developments and issues related to ESG funds, implementation of the enhanced guidance for investment-linked assurance schemes (ILAS) product design and liquidity risk management of open-ended funds.

Chairman

CHOI Fung-yee Christina

Members

ABRAT Katherine Anna	MONCREIFFE Edward Charles Lawrence (to 18.6.2021)
CHAN Duen Grace	NOYES Keith Samuel
CHAN Siu-ping Chordio	PAN San Kong Terry
CHOW Kin Hung (Nelson CHOW)	PANG Wai Sau Queenie
FUNG Ka Shing Bernard	SHEN Hua
HUI Mei Ying (Carol HUI)	SHIPMAN Mark Graham
KENNEDY Glenn Ronald	SMITH Paul Henry
KIM Suyi	TAM Sau Ngor Vera
LEE Chi Kee Trevor	TSUI Wai Yu (Fion TSUI)
LI Tzy Lan Orchis (from 18.6.2021)	TZATZAKIS Costa (Con TZATZAKIS)
LIU Yun Bonn (Bonn LIU)	WONG Pui Ling Pauline
LYU Hong (Sandra LU)	YEE Gar Bo Gabriella
Dr MAK Sui Choi Billy	YEONG Wei Ming Alexandra

Secretary

POON Wing Yee Loreen

Number of meetings: 1

Average attendance rate: 81%

Public Shareholders Group

Advises on issues relating to shareholders' rights and interests.

During the year, the Group met three times and discussed various policy subjects, such as Special Purpose Acquisition Companies, climate-related issues and the Hong Kong listing market.

Chairman

HO Yin Tung Brian (to 27.8.2021)

TANG Siau Feng Megan (from 28.8.2021)

Members

CHAN Kwok King Kingsley	TYE Philip Andrew
GILL Amar Singh	WANG Fang
LI Lin, Lincoln	WEI Zhen
MA Sean	WONG Chi Ming Sally
MO Yuen Man Anita	WONG David Nicholas
SCHLABBERS Manuel	WONG Yu Tsang Alex

Number of meetings: 3

Average attendance rate: 86%

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 deal with other administrative matters.

Chairman

LEUNG Chung Yin Rico

Members

ATKINSON Thomas Allan
KWOK Hom Siu (Sally KWOK)

Dr LIN James C.
YIU Ka Yan Wilfred

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) 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, SBS, JP
ATKINSON Thomas Allan
CHAN Yuk Sing Freeman
CHOI Fung-ye Christina
EMSLEY Matthew Calvert
LEUNG Chung Yin Rico

LEUNG Fung-ye Julia, SBS, JP
LEUNG Po Wah Pauline
PHADNIS Dhananjay Shrikrishna
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

CHAN Kam Wing Clement, MH, JP (to 27.07.2021)	Dr LIN James C.
CHAN Sui Kuen Agnes	LO Kar Chun Nicky, SBS, JP
CHENG Wai Sun Edward, GBS, JP	LUI Tim Leung Tim, SBS, JP
DAWES Victor, SC	WONG Yick Kam Michael, MH, JP
HUANG Lester Garson, SBS, JP (to 14.11.2021)	YIH Dieter, JP (from 15.11.2021)
KONG Johnson (from 15.11.2021)	

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

Chairman

CHIU Jeckle

Deputy Chairman

CHAN Henry

Members

CHUI Ming Wai (Vivian CHUI)	LEE Virginia Yuen Man
FOOTMAN Michael Henry Charles	TSUI Kam Yip, Alison
LAM Hui Yip (Clement LAM)	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. Members of the Share Registrars' Disciplinary Appeals Committee for the hearing of each appeal case brought before it consists of members of the Share Registrars' Disciplinary Committee who did not preside or participate in the disciplinary hearing of that case.

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 once to discuss takeovers-related policy matters.

Chairman

CHAN Yuk Sing Freeman

Deputy Chairpersons

CLARK Stephen Edward
KO Teresa Yuk Yin, JP
LAM Chor Lai, Celia
MAGUIRE John Martin

SCHWILLE Mark Andrew
WEBB David Michael
YU Ka Po Benita

Members

BIDLAKE Alexandra
BROWN Melissa
CHAN Che Chung (Conrad CHAN)
CHARLTON Julia Frances
CHENG Wai Sun, Edward, GBS, JP
CLARK Stephen John
IP Koon Wing Ernest
LEE Kam Hung Lawrence, BBS, JP
LEUNG Po Wah, Pauline
LIU Yun Bonn (Bonn LIU)
LLOYD Victoria Sally Tina (to 3.8.2021)
NORMAN David Michael
NORRIS Nicholas Andrew

PARK Yoo Kyung
SABINE Martin Nevil
SHAH Asit Sudhir
STEINERT Timothy A. (to 3.8.2021)
TYE Philip Andrew
VAS CHAU Lai Kun Judy
WINTER Richard David
WOLHARDT Julian Juul
WONG Richard
WONG Wai Ming
WONG Yu Tsang, Alex
Woo Ka Biu, Jackson
YUEN Ka Fai (Frank YUEN)

Number of policy meeting: 1

Number of non-disciplinary hearings: 0

Number of disciplinary hearings: 0

Average attendance rate: 88%

Average attendance rate: N/A

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.

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	STEINERT Timothy A. (to 3.8.2021)
CLARK Stephen Edward	TYE Philip Andrew
CLARK Stephen John	VAS CHAU Lai Kun Judy
IP Koon Wing Ernest	WEBB David Michael
KO Teresa Yuk Yin, JP	WINTER Richard David
LAM Chor Lai, Celia	WOLHARDT Julian Juul
LEE Kam Hung Lawrence, BBS, JP	WONG Richard
LEUNG Po Wah, Pauline	WONG Wai Ming
LIU Yun Bonn (Bonn LIU)	WONG Yu Tsang, Alex
LLOYD Victoria Sally Tina (to 3.8.2021)	Woo Ka Biu Jackson
MAGUIRE John Martin	YU Ka Po Benita
NORMAN David Michael	YUEN Ka Fai (Frank YUEN)
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	
LEE Pui Shan Rosita	
Deputy Chairman	
CHAN Siu-ping Chordio	
Members	
FUNG Kit-ming, Veronica	LEUNG Tak-lap
LEUNG Bon-yuen, Eviana	

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
CHAN Lena
CHAU Suet-fung Dilys
CHING Kim-wai Kerry
CHUA Suk-lin Ivy
CHUI Yik-chiu Vincent

Ex-officio members

LUI Tim Leung, Tim, SBS, JP

KWAN Wing-han Margaret
KWOK Tun Ho Chester
LAI Hin-wing Henry
Dr MAK Sui Choi Billy
TSANG Sui-cheong Frederick
ZEE Helen

YUNG Lap-yan

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.

Chairmen

HARTMANN Michael John, GBS
KWOK Hing-Wai Kenneth, SBS, SC, JP

LUNN Michael Victor, GBS
MCWALTERS Ian Charles, GBS, JP (from 1.10.2021)

Members

CHAN Chun-hung Vincent
Prof CHAN Ka-lok
Prof CHAN Koon-hung
CHAN Mei-bo Mabel
CHAN Siu-ping Chordio
CHENG Wai-sum Yvonne (to 1.2022)
CHAN Yuen-shan Florence
CHEN Xin Lorna
CHEUNG Wai-kiwok Gary
CHING Kim-wai Kerry
HUI Ming-ming Cindi
KONG Chi-how Johnson (to 11.2021)
LAM Chi-yuen Nelson

LEUNG Ming-hym Peter
Prof LEUNG Siu-fai
MAK Kwong-fai
SHIH Edith
TANG Hamilton Ty
Dr TO Wing Christopher
WONG Hin-wing Simon
WONG Kwok-ching Jamee
YAU Yu-xin Amelia
YIP Chai-tuck
YUEN Miu-ling Wendy
YUEN Siu-bun Edward

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.

Circuit breaker

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

Dark pool

An electronic system which allows crossing or matching of orders anonymously outside traditional exchanges without any pre-trade transparency. Also known as alternative liquidity pool or alternative trading system.

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.

Green and Sustainable Finance Cross-Agency Steering Group

A group co-chaired by the SFC and the Hong Kong Monetary Authority with participation from the Environment Bureau, Financial Services and the Treasury Bureau and other financial regulators to coordinate the management of climate and environmental risks in the financial sector, accelerate the growth of green and sustainable finance and support Hong Kong's climate strategies.

Greenwashing

A false or unsubstantiated claim that certain activities, products or practices are sustainable or environmentally-friendly, such as when asset managers market themselves as "green" or "sustainable" but do not fully integrate these factors into their investment processes.

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.

Glossary and Abbreviations

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.

Occupational retirement scheme

A voluntary scheme set up by employers in Hong Kong to provide retirement benefits for their employees.

Open-ended fund companies (OFC)

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

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.

Pooled retirement fund

A collective investment scheme which enables multiple occupational retirement schemes to gain exposure to underlying investment portfolios.

Ramp and dump scheme

A form of stock market manipulation. Fraudsters "ramp" up the price of a stock and use social media to lure unwary investors to buy at an artificially high price. The fraudsters then sell or "dump" the stock to take profits causing the price to collapse.

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 Exchange Commission of Thailand

The authority that regulates the securities market in Thailand.

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.

Unit trust

A collective investment scheme constituted in trust form.

Virtual assets

Digital representations of value, also known as cryptocurrencies, crypto-assets or digital tokens.

Whitewash waiver

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