

# Glossary and abbreviations

## Abu Dhabi Global Market Financial Services Regulatory Authority

The authority that regulates the financial services sector in Abu Dhabi.

## Alternative liquidity pool (ALP)

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

## 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 (OTC) derivatives.

## Boiler rooms

Frauds which may claim to be licensed and operate in a particular jurisdiction, and offer potentially worthless or false investment opportunities.

## 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.

## China Banking and Insurance Regulatory Commission (CBIRC)

A ministry-level agency directly under the State Council which regulates the Mainland's banking and insurance industries.

## China Securities Regulatory Commission (CSRC)

A ministry-level agency directly under the State Council which regulates the Mainland's securities and futures markets.

## Cold shoulder order

A sanction that prevents a person from accessing, directly or indirectly, the Hong Kong securities market for a stated period.

## 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.

## Exchange-traded fund (ETF)

Open-ended collective investment schemes which trade throughout the day like a stock on the secondary market (ie, through an exchange). ETFs may be managed actively or passively.

## 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.

## Financial technology (Fintech)

The application of information and communications technology to financial services.

## 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.

## German Federal Financial Supervisory Authority

An integrated financial supervisor for the banking, securities and insurance sectors in Germany.

## Global Financial Innovation Network

An international network of financial services regulators and related organisations committed to supporting financial innovation in the interests of investors.

## 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.

## Green finance

Financial instruments or investments which facilitate green development and help manage environmental and climate risks and opportunities.

## Hong Kong Trade Repository

A centralised registry of records of OTC derivatives transactions.

## Glossary and abbreviations

### **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 that provides both insurance protection and investment options, usually through funds.

### **Leveraged and inverse products**

Products structured as ETFs 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.

### **Luxembourg Commission de Surveillance du Secteur Financier**

The authority regulating participants and products in Luxembourg's financial sector.

### **Mandatory provident fund (MPF)**

An employment-based retirement savings scheme which requires regular mandatory contributions by employees and employers in Hong Kong.

### **Market Misconduct Tribunal (MMT)**

An independent full-time body established under the Securities and Futures Ordinance (SFO) 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.

### **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.

### **Paris Agreement**

An agreement within the United Nations Framework on Climate Change to make finance flows consistent with a low-carbon future.

### **Real estate investment trust (REIT)**

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

### **Rights issue**

An offer to existing holders of a listed company's securities which enables them to subscribe to an additional number of securities in proportion to their existing holdings.

### **Securities and Futures Appeals Tribunal (SFAT)**

A body established under the SFO to review specified decisions made by the SFC, the 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 and the securities and futures market and industry, as well as to their regulation and to other matters including the protection of investors.

### **Security token**

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

### **Security token offerings (STO)**

Specific offerings of security tokens which have features of traditional securities offerings.

### **UK Financial Conduct Authority (FCA)**

The conduct and prudential regulator for financial markets and financial services firms in the UK.

### **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 of a company arising from an issue of new securities of that company.