

Operational Review

Intermediaries

Licensing

In the quarter, we received 1,953 new licence applications, down 17% from the last quarter and up 1.5% year-on-year. The number of corporate applications for new licences decreased 25.9% from the last quarter to 63, down 35.7% year-on-year.

As at 31 December, the number of licensees and registrants totalled 46,371, up 5% from last year, and the number of licensed corporations grew 9.2% to 2,905.

Beginning 26 November, approval letters are only sent to individual licence applicants electronically, copying their accredited licensed corporations, and not in paper form.

Regulatory enhancements

Financial resources rules

In October, we issued consultation conclusions on proposed amendments to the Securities and Futures (Financial Resources) Rules to update the computation basis for the financial resources requirements and ensure the rules are compatible with the latest market developments. The new requirements were enacted on 12 December. The amendments related to a new accounting standard took effect on 1 January 2019 and the remaining amendments will come into effect on 1 April 2019.

Licensing applications

	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Nine months ended 31.12.2017	YoY change (%)
Applications to conduct new regulated activity	5,593	18,731	16,992	10.2
Applications for SFC licences [#]	1,953	6,337	5,750	10.2

[#] Figures do not include applications for provisional licences. During the quarter, we received 1,054 provisional licence applications compared with 942 in the same quarter last year.

Intermediaries

Licensees and registrants

	As at 31.12.2018	As at 31.3.2018	Change (%)	As at 31.12.2017	YoY change (%)
Licensed corporations	2,905	2,702	7.5	2,660	9.2
Registered institutions	117	120	-2.5	119	-1.7
Licensed individuals	43,349	41,536	4.4	41,390	4.7
Total	46,371	44,358	4.5	44,169	5

Anti-money laundering

In October, we issued consultation conclusions on proposed amendments to the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations) and the Prevention of Money Laundering and Terrorist Financing Guideline for Associated Entities. The changes align the guidelines with the latest international standards and make them more useful and relevant in light of industry developments. The revised guidelines came into effect on 1 November.

Complex products

We issued consultation conclusions in October on requirements for intermediaries to apply additional protective measures to the sale of complex products in an offline environment. These include ensuring their suitability and providing product information and warning statements to clients. As a consequence, identical protective measures will be applicable to both the online and offline sale of complex products with effect from April 2019.

Virtual assets

In a November statement, we set out a conceptual framework to explore whether virtual asset trading platforms are suitable for regulation. Further, in light of the significant risks virtual assets pose to investors, we will adopt new measures within our regulatory remit to protect those who invest in virtual asset portfolios or funds. We will impose licensing conditions on firms which manage or intend to manage portfolios investing in virtual assets¹, irrespective of whether the virtual assets meet the definition of “securities” or “futures contracts”². We also provided guidance on the standards expected of virtual asset portfolio managers and fund distributors.

OTC derivatives

In December, we released consultation conclusions on proposals to enhance the over-the-counter (OTC) derivatives regime and address conduct risks posed by dealings with group affiliates and other connected persons. New risk mitigation requirements for non-centrally cleared OTC derivative transactions take

¹ Where 10% or more of the gross asset value of the portfolio is invested in virtual assets.

² At present, many virtual assets do not meet the definition of “securities” or “futures contracts” under the Securities and Futures Ordinance (SFO). As such, managing funds solely investing in virtual assets which do not constitute “securities” or “futures contracts” does not amount to a “regulated activity” as specified under the SFO.

Intermediaries

effect on 1 September 2019, while client clearing requirements for OTC derivative transactions will become effective when the new Types 11 and 12 regulated activities come into effect. The conduct requirements to address risks posed by group affiliates and other connected persons take effect on 14 June 2019.

Non-exchange traded investment products

Our latest *Survey on the Sale of Non-exchange Traded Investment Products*, published in December³, showed that the aggregate transaction amount of investment products increased by 34% compared to the 2016 survey. As in the previous survey, structured investment products accounted for the largest share of the aggregate transaction amount, followed by fixed income products and collective investment schemes. By collecting information about the industry landscape and the types and value of investment products sold by licensed corporations, the survey helps us supervise selling practices.

In light of the significant increase in the sale of investment products such as equity-linked products and non-investment grade corporate bonds, we concurrently issued a circular reminding intermediaries to observe the requirements governing selling practices when they distribute structured products and corporate bonds with complex features or high risks.

Updated reporting arrangements

Revamped Business and Risk Management Questionnaire

We issued a revamped Business and Risk Management Questionnaire (BRMQ)⁴ in January 2019. For financial years ending on or after 31 March 2019⁵, licensed corporations and associated entities are required to complete and electronically submit the questionnaire to the SFC through WINGS⁶, the SFC's new online portal. The BRMQ collects information about the business operations of licensed corporations and associated entities as well as the specific measures they adopt to ensure sound risk management and proper internal controls. This enables the SFC to supervise licensed corporations and associated entities more effectively.

Electronic submission of notifications and annual returns

Starting 26 November, directors of licensed corporations or registered institutions and persons authorised by their boards can submit corporate notifications and annual returns⁷ via the SFC online portal. Previously, only responsible officers and executive officers were allowed to submit notifications and annual returns.

³ Previous surveys were published in 2012, 2014 and 2016.

⁴ All licensed corporations and associated entities are required to complete and submit the questionnaire to the SFC under section 156 of the SFO.

⁵ For financial years ending before 31 March 2019, the previous version of the BRMQ can be downloaded from the SFC's website and submitted in paper form.

⁶ Web-based INteGrated Service.

⁷ Registered institutions are not required to submit annual returns under the SFO.

Intermediaries

Monitoring

During the quarter, we conducted 72 on-site inspections of licensed corporations to review their compliance with regulatory requirements.

Promoting compliance

We issued a circular in October highlighting our concerns about the increasingly prevalent use of “nominees” and “warehousing” arrangements which may amount to market or corporate misconduct. Firms were reminded to be vigilant in identifying potential red flags which may suggest the use of these arrangements for illegitimate purposes and, where necessary, to make due follow-up enquiries with clients and report suspicious transactions promptly to the SFC and other authorities.

We issued a circular in November to announce a thematic review assessing the risk governance, oversight frameworks and risk management practices of selected licensed corporations in light of the increasing complexity of trading and business models. The review, combining industry surveys, meetings and on-site inspections, focuses on operational risk, data risk and the underlying risks of remote booking models.

Intermediary inspection

	Quarter ended 31.12.2018	Quarter ended 30.9.2018	Change (%)	Quarter ended 31.12.2017	YoY change (%)
On-site inspections conducted	72	81	-11.1	71	1.4

In December, we issued a circular and report to summarise the findings and highlight the key regulatory concerns identified during a circularisation exercise and high-level review of brokers’ control measures for protecting client assets along with a thematic review of brokers’ internal controls and supervision of account executives. We also published a comprehensive self-assessment checklist to help brokers review and improve these areas.

We issued a set of FAQs in December to clarify the application of the secrecy provisions under section 378 of the Securities and Futures Ordinance to the disclosure of supervisory information by licensed corporations to auditors, counsel, solicitors or other professional advisers.

We published the third issue of the *SFC Compliance Bulletin: Intermediaries* in November to highlight the SFC’s Fintech initiatives and recent regulatory developments.

Products

Authorisations

As of 31 December, 2,780 SFC-authorized collective investment schemes were on offer to the public. During the quarter, we authorised 47 unit trusts and mutual funds, one mandatory provident fund (MPF) pooled investment fund and 18 unlisted structured investment products for public offering.

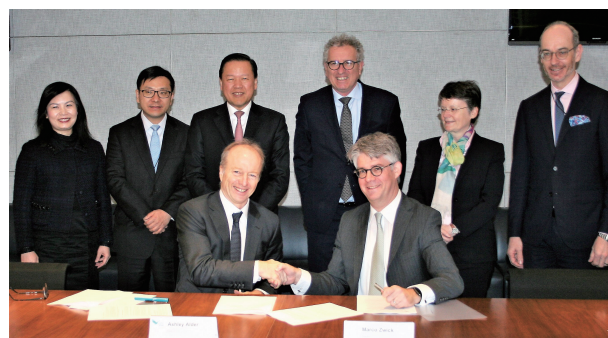
Mutual recognition of funds (MRF)

United Kingdom and Luxembourg

We entered into memoranda of understanding (MoUs) on MRF with the UK Financial Conduct Authority in October and with the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) in January. Each MoU allows eligible Hong Kong public funds (including funds structured in the form of open-ended fund companies) to be distributed in the other market, and vice versa. It also establishes a framework for information exchange, regular dialogue and regulatory cooperation on the cross-border offering of eligible funds.

Mainland China

Under the Mainland-Hong Kong MRF scheme, as of 31 December, we had authorised a total of 50 Mainland funds (including two umbrella funds), and the China Securities Regulatory Commission had approved 17 Hong Kong funds.



Signing of MoU with the CSSF

Switzerland and France

Following our discussions with the Swiss Financial Market Supervisory Authority and the French Autorité des marchés financiers, both regulators confirmed that SFC-authorized funds structured in the form of open-ended fund companies are now eligible under our MRF arrangements with Switzerland and France.

Regulatory enhancements

On 6 December, we published consultation conclusions on proposed amendments to the Code on Unit Trusts and Mutual Funds (UT Code) as part of a holistic review to update the regulatory regime for SFC-authorized funds. Key changes included strengthening the requirements for key operators¹ and introducing new fund types such as active exchange-traded funds (ETFs). The revised UT Code became effective on 1 January 2019. We also published new guidance and frequently asked questions on our website to facilitate implementation and transition arrangements.

Unlisted structured investment products

	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Nine months ended 31.12.2017	YoY change (%)
Unlisted structured investment products ^a	18	98	105	-6.7
Authorisations granted under section 105 of the Securities and Futures Ordinance ^b	11	68	68	0

^a On a "one product per key facts statement" basis, the number of unlisted structured investment products authorised during the period, most of which were equity-linked investments and deposits.

^b Offering documents and advertisements of unlisted structured investment products offered to the Hong Kong public.

¹ Including management companies, trustees and custodians.

Products

Authorised collective investment schemes^a

	As at 31.12.2018	As at 31.3.2018	Change (%)	As at 31.12.2017	YoY change (%)
Unit trusts and mutual funds	2,195	2,215	-0.9	2,205	-0.5
Investment-linked assurance schemes	300	299	0.3	299	0.3
Pooled retirement funds	34	34	0	34	0
MPF schemes	31	31	0	31	0
MPF pooled investment funds	195	194	0.5	194	0.5
Others	25 ^b	26	-4	26	-4
Total	2,780	2,799	-0.7	2,789	-0.3

^a Excluding unlisted structured investment products.

^b Comprising 14 paper gold schemes and 11 real estate investment trusts (REITs).

SFC-authorised renminbi investment products

	As at 31.12.2018
Unlisted products	
Unlisted funds primarily investing in the onshore Mainland securities markets ^a or offshore renminbi bonds, fixed income instruments or other securities	66
Other unlisted funds with renminbi share classes ^b	191
Paper gold schemes with renminbi features	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	50
Unlisted structured investment products with renminbi features ^c	105
Listed products	
ETFs primarily investing in the onshore Mainland securities markets ^a or offshore renminbi bonds, fixed income instruments or other securities	34
Other ETFs with renminbi trading counters ^b	20
Renminbi gold ETFs ^d	1
Renminbi REITs	1

^a Refers to onshore Mainland investments through the Renminbi Qualified Foreign Institutional Investor (RQFII) quota, Stock Connect, Bond Connect and the China Interbank Bond Market.

^b Refers to unlisted funds or ETFs which have non-renminbi base currency.

^c The number is on a "one product per key facts statement" basis.

^d Only includes gold ETF denominated in renminbi.

Corporates

Review structure for Listing Committee decisions

Following discussions with the SFC, The Stock Exchange of Hong Kong Limited (SEHK) issued conclusions to its consultation on the review structure for Listing Committee decisions in January 2019. To promote transparency and accountability in decision-making, SEHK concluded that significant Listing Committee decisions will be subject to one level of review. A new independent committee, the Listing Review Committee, will be established to replace the existing Listing (Review) Committee and Listing (Disciplinary Review) Committee. In addition, the Listing Appeals Committee will be discontinued. All decisions on non-disciplinary matters made by the new Listing Review Committee will be published. The new regime is expected to take effect in mid-2019.

Review of SEHK's work

In December, we published a report on our review of SEHK's performance in its regulation of listing matters during 2016 and 2017. We reviewed the Listing Department's operations, processes and procedures, focusing on SEHK's vetting of initial public offering applications and suitability for listing, the regulation of reverse takeover transactions, the handling of disclaimer audit opinions as well as its policy on listing enforcement. The report identified a number of areas for SEHK to enhance its performance.

Listing applications

Our oversight of listing matters includes vetting of listing applications. During the quarter, we vetted 68 new listing applications, up 70% from 40 in the same quarter last year. The number of listing applications in the nine months from April to December was 310, up 31.4% year-on-year.

During the quarter, we received two listing applications from pre-profit biotech companies. We also issued one letter of mindedness to object directly to a listing applicant¹ in the period.

Corporate conduct

We conduct a daily review of corporate announcements under the statutory corporate conduct and inside information disclosure provisions. During the quarter, we issued section 179² directions to gather additional information in 24 cases and wrote to detail our concerns in 13 transactions. These concerns included, for example, whether a corporate action or transaction was being conducted in a manner which is oppressive or unfairly prejudicial to shareholders.

Takeovers matters

In December, we introduced a new Practice Note 22 which provides guidance on the interpretation of material contracts under the Takeovers Code requirements. All contracts relating to discloseable transactions under the Listing Rules should normally be treated as material contracts for the purposes of the Takeovers Code. This requirement facilitates transparency and assists shareholders in reaching an informed decision about an offer.

Listing applications and takeovers activities

	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Nine months ended 31.12.2017	YoY change (%)
Listing applications	68	310	236	31.4
Takeovers and share buy-backs transactions	93	285	339	-15.9

¹ The SFC may object to a listing of securities based on one or more of the grounds set out in section 6(2) of the Securities and Futures (Stock Market Listing) Rules. A letter of mindedness to object sets out our substantive concerns along with detailed reasons.

² Section 179 of the Securities and Futures Ordinance gives the SFC the power to compel the production of records and documents from persons related to a listed company.

Markets

Stock Connect

In December, we entered into an agreement with the China Securities Regulatory Commission (CSRC) to enhance the exchange of information under Mainland-Hong Kong Stock Connect. The enhancements are part of arrangements for the investor identification regime for both northbound and southbound trading under Stock Connect.

The investor identification regime for northbound trading has been operating smoothly since its launch on 26 September. We are working with the CSRC to introduce a similar regime for southbound trading in the first quarter of 2019.

Paperless securities market

In January 2019, we launched a consultation jointly with Hong Kong Exchanges and Clearing Limited and the Federation of Share Registrars on the proposed operational model for implementing an uncertificated securities market. The consultation will close in late April.

ATS providers

	As at 31.12.2018	As at 31.3.2018	Change (%)	As at 31.12.2017	YoY change (%)
Under Part III	58	57	1.8	52	11.5
Under Part V	24	24	0	24	0

OTC derivatives

Following our joint consultation with the Hong Kong Monetary Authority on enhancements to the over-the-counter (OTC) derivatives regime¹, amendments to subsidiary legislation to provide for the second phase of mandatory clearing were gazetted on 7 December. They will be effective on 1 March 2019 subject to legislative vetting by the Legislative Council.

Automated trading services

As of 31 December, the number of automated trading services (ATS)² authorisations under Part III of the Securities and Futures Ordinance (SFO) was 58, while 24 corporations, including 15 dark pool operators, were licensed under Part V of the SFO to provide ATS.

¹ The enhancements include proposals to mandate the use of Legal Entity Identifiers for the reporting obligation, expand the clearing obligation and adopt a process for determining for which products it may be appropriate to introduce a platform trading obligation.

² Under the SFO, two regimes regulate ATS providers. Typically, those that offer facilities similar to those of a traditional exchange or a clearing house are authorised under Part III of the SFO. Intermediaries which provide dealing services with ATS as an added facility are licensed under Part V of the SFO.

Enforcement

Court rulings

During the quarter, the Court of Final Appeal (CFA) dismissed the appeal of Eric Lee Kwok Wa, a solicitor, and his sisters, Patsy Lee Siu Ying and Stella Lee Siu Fan, against the judgment of the Court of Appeal (CA), thereby affirming the original determination that they had engaged in fraudulent or deceptive conduct in transactions involving the shares of Taiwan-listed Hsinchu International Bank Company Limited.

The CFA allowed our appeal against the findings of the Market Misconduct Tribunal (MMT) that two former executives of Asia Telemedia Limited¹, Charles Yiu Hoi Ying and Marian Wong Nam, had not engaged in insider dealing. The CFA held that they failed to establish that they did not use inside information for financial gain. The CFA set aside the orders made by the CA and the MMT and remitted the matter back to the MMT to deal with sanctions.

The Court of First Instance (CFI) ordered three unlicensed companies² to compensate 14 investors a total of about \$600,000, which had been subject to an interim injunction obtained by the SFC under section 213³ of the Securities and Futures Ordinance (SFO). These companies had solicited investors to open trading accounts to invest in securities and futures products. However, no trades were executed and investors were not able to recover their money.

Market Misconduct Tribunal

During the quarter, we commenced proceedings in the MMT against the following companies and persons for allegedly failing to disclose inside information as soon as reasonably practicable:

- Health and Happiness (H&H) International Holdings Ltd⁴ and Luo Fei, its Chairman, Chief Executive Officer and Executive Director; and
- CMBC Capital Holdings Limited⁵ and six of its former directors and senior executives⁶.

Disciplinary actions

We disciplined two licensed corporations and four representatives during the quarter, resulting in total fines⁷ of \$2.3 million.

Mis-handling client money

We banned Lok Wai Fong, a former employee of Bank of China (Hong Kong) Limited, from re-entering the industry for life for unauthorised transfers of client money and failure to act on client instructions.

We banned Kong Kar Bong, a former account executive of Sanfull Securities Limited, from re-entering the industry for 10 years for misappropriating client money and forging an account statement.

Other regulatory breaches

We reprimanded and fined SFM HK Management Limited \$1.5 million for failures relating to the short selling of Great Wall Motor Company Limited shares in 2015 on behalf of a fund it managed.

We suspended the licences of Chan Ho Wai and Lam Wai Kit, responsible officers of FT Securities Limited, for nine months for failing to exercise due skill, care and diligence in handling research reports issued by the firm. They also failed to ensure that the firm maintained appropriate standards of conduct and adhered to proper procedures.

We reprimanded and fined Ardon Maroon Fund Management (Hong Kong) Limited⁸ \$800,000 for cross-trade failures in managing the Ardon Maroon Asia Master Fund.

¹ Now known as Yunfeng Financial Group Limited.

² Cardell Limited or Cardell Company Limited, Waldmann Asset Management and Doyle Hutton Associates.

³ Section 213 of the SFO gives the SFC the power to apply to the CFI for injunctions and other orders under specified conditions.

⁴ Formerly known as Biostime International Holdings Limited.

⁵ Formerly known as Mission Capital Holdings Limited.

⁶ Philip Suen Yick Lun (former Chief Executive Officer and Company Secretary), Paul Suen Cho Hung (former Chairman), Lau King Hang (former Executive Director) and three former Independent Non-Executive Directors, Huang Zhencheng, Weng Yixiang and Wong Kwok Tai.

⁷ Fines paid by intermediaries in disciplinary actions go into the general revenue of the Government.

⁸ Now known as China Silver Asset Management (Hong Kong) Limited.

Enforcement

Market surveillance

In the quarter, we made 2,597 requests for trading and account records from intermediaries as a result of our surveillance of untoward price movements and turnover. In addition, we posted two high shareholding concentration announcements on our website to remind investors to exercise caution when trading shares in companies where a small number of shareholders hold a high concentration of shares.

Fostering enforcement cooperation

We co-organised our third joint training with the China Securities Regulatory Commission (CSRC) in Shenzhen in November where we discussed the latest developments in digital forensics and the application

of big data in law enforcement. The more than 120 participants included experts from the Economic Crime Investigation Department of the Ministry of Public Security, Hong Kong Police, Independent Commission Against Corruption and an overseas digital forensic firm, as well as SFC and CSRC staff.

In December, the SFC and CSRC held their seventh regular high-level meeting on enforcement cooperation in Hong Kong. We discussed a range of matters, including market surveillance workflows and procedures and the progress of high-priority investigations. These meetings are crucial to combat cross-boundary market misconduct and for the orderly operation of the Mainland-Hong Kong mutual market access programme.



SFC-CSRC joint training in Shenzhen



Seventh SFC-CSRC regular high-level meeting on enforcement cooperation

Enforcement

Enforcement activities

	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Nine months ended 31.12.2017	YoY change (%)
S179 ^a inquiries commenced	7	19	20	-5
S181 ^b inquiries commenced (number of letters sent)	80 (2,597)	225 (6,734)	199 (6,561)	13.1 (2.6)
S182 ^c directions issued	59	179	203	-11.8
Investigations started	57	180	215	-16.3
Investigations completed	69	191	174	9.8
Individuals and corporations charged in criminal proceedings	0	4	11	-63.6
Criminal charges laid	0	37	44	-15.9
Notices of Proposed Disciplinary Action ^d issued	5	13	22	-40.9
Notices of Decision ^e issued	6	27	19	42.1
Individuals and corporations subject to ongoing civil proceedings ^f	98	98	110	-10.9
Compliance advice letters issued	60	182	215	-15.3
Cases with search warrants executed	9	24	19	26.3

^a Section 179 of the 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.

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

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

^d 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.

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

^f As of the last day of the reporting period.

Regulatory engagement

IOSCO

We are actively involved in international policy making. Mr Ashley Alder, our Chief Executive Officer, chairs the Board of the International Organization of Securities Commissions (IOSCO), which met in October, and we participate in all eight IOSCO policy committees.

The SFC hosted the October CPMI¹-IOSCO Steering Group meeting which was co-chaired by Mr Alder and Mr Benoît Cœuré of the European Central Bank.

In the same month, Mr Alder participated in the EU-Asia Pacific Forum on Financial Regulation, which discussed the implementation of EU regulations with a cross-border impact, crypto-assets, sustainable finance and other capital market developments.

Financial Stability Board (FSB)

During the quarter, Mr Alder, in his capacity as Chair of the IOSCO Board, participated as a member of the FSB Plenary and Steering Committee, which considers financial vulnerabilities in the global financial system.

We are actively involved in the work of the FSB Standing Committee on Standards Implementation (SCSI). Mr Keith Lui, Executive Director of Supervision of Markets, participated in the SCSI's meeting in October which focussed on the implementation and effects of the Group of Twenty (G20) reforms, the FSB's thematic monitoring work and peer reviews.

Mainland China

In November, SFC Chairman Mr Tim Lui met Mr Liu Shiyu, Chairman of the China Securities Regulatory Commission (CSRC), in Beijing to discuss cooperation between the Hong Kong and Mainland capital markets.

In December, the 4th SFC-CSRC High-level Meeting held in Shenzhen discussed ways to enhance cross-boundary regulatory cooperation and key initiatives including investor identification for southbound trading under Stock Connect, proposals for ETF² Connect, the Mainland-Hong Kong Mutual Recognition of Funds arrangement and the full circulation of H shares. We also signed a memorandum



The 4th SFC-CSRC High-level Meeting

of understanding with the CSRC to enhance cooperation and the exchange of information in the supervision and oversight of financial institutions which operate on a cross-boundary basis.

To strengthen Hong Kong's cooperation with the Mainland, we attended the 7th Shenzhen-Hong Kong-Macau Financial Innovation Conference in Shenzhen in October. In addition, we received a visit from the Chinese Academy of Social Sciences to discuss Hong Kong's capital market and new opportunities arising from the development of the Guangdong-Hong Kong-Macau Greater Bay Area. We also received visitors from the State Council to discuss Hong Kong's role in facilitating the Mainland's financial reforms and its integration into global markets as well as ways to enhance Hong Kong's status as an international financial centre. With visitors from the People's Bank of China, we discussed the development of offshore renminbi business in Hong Kong.

Green finance

As part of our efforts to advance Hong Kong's leadership in green finance, as set out in our *Strategic Framework for Green Finance* published in September, we participated in the IOSCO Sustainable Finance Network, the Advisory Group of the United Nations Sustainable Stock Exchanges Initiative and the G20 Sustainable Finance Study Group.

¹ Committee on Payments and Market Infrastructures.

² Exchange-traded fund.

Stakeholders

We engage stakeholders to help them understand our work and provide them with up-to-date regulatory information.

During the quarter, we supported seven industry events and our senior executives spoke at 24 local and international conferences. We met with a wide range of industry associations to understand their views on regulatory issues.

We released the following publications in the quarter:

- The November issue of the *SFC Compliance Bulletin: Intermediaries* provided guidance to accommodate the industry's increasing use of new technologies whilst ensuring investor protection.

- The findings of the *Survey on the Sale of Non-exchange Traded Investment Products* presented an overview of the types and value of investment products sold by licensed corporations to individual investors.
- The December issue of the *Takeovers Bulletin* reminded offerors that the structure of an offer price should not be oppressive to shareholders and introduced a new practice note providing guidance about material contracts on display.

We issued 26 circulars informing industry participants about a wide range of matters, including virtual assets, leveraged and inverse products, valuation of fund assets, our review of licensed firms' internal controls and updates on anti-money laundering and counter-terrorist financing.

Publications and other communications

	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Nine months ended 31.12.2017	YoY change (%)
Press releases	28	94	111	-15.3
Consultation papers	0	4	8	-50
Consultation conclusions	5	13	6	116.7
Industry-related publications	4	12	11	9.1
Codes and guidelines ^a	4	10	8	25
Circulars to industry	26	70	61	14.8
Corporate website average daily page views ^b	67,870	61,477	67,825	-9.4
General enquiries	1,561	5,100	5,354	-4.7

^a Includes updates to previous versions.

^b The average number of web pages browsed per day during the reporting period.