

Activity Data

Table 1 Breaches noted during on-site inspections

	Quarter ended 30.6.2019	Quarter ended 31.3.2019	Change (%)	Quarter ended 30.6.2018	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	2	2	0	4	-50
Failure to safekeep client securities	9	6	50	14	-35.7
Failure to maintain proper books and records	7	0	N/A	8	-12.5
Failure to safekeep client money	18	1	1,700	9	100
Unlicensed dealing and other registration issues	6	7	-14.3	5	20
Breach of licensing conditions	2	0	N/A	0	N/A
Breach of requirements of contract notes/ statements of account/receipts	6	8	-25	12	-50
Failure to make filing/notification	0	1	-100	0	0
Breach of margin requirements	3	0	N/A	4	-25
Dealing malpractices	2	1	100	1	100
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ¹	93	50	86	115	-19.1
Breach of Corporate Finance Adviser Code of Conduct	1	2	-50	0	N/A
Breach of Fund Manager Code of Conduct	17	18	-5.6	9	88.9
Breach of regulation of on-line trading	4	1	300	1	300
Non-compliance with anti-money laundering guidelines	99	56	76.8	33	200
Breach of other rules and regulations of the Exchanges ²	5	2	150	7	-28.6
Internal control weaknesses ³	100	115	-13	127	-21.3
Others	55	15	266.7	19	189.5
Total	429	285	50.5	368	16.6

¹ Commonly related to risk management, record keeping, client agreements, safeguarding of client assets and management responsibilities.

² The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

³ Deficiencies in management review and supervision, operational controls over the handling of client accounts, segregation of duties, information management and adequacy of audit trail for internal control purposes, among other weaknesses.

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Table 2 Authorised unit trusts and mutual funds – by type

	As at 30.6.2019	As at 31.3.2019	Change (%)	As at 30.6.2018	YoY change (%)
Bond	471	474	-0.6	446	5.6
Equity	1,001	1,005	-0.4	1,002	-0.1
Diversified	182	181	0.6	174	4.6
Money market	44	44	0	45	-2.2
Fund of funds	110	110	0	113	-2.7
Index ¹	168	162	3.7	160	5
Guaranteed	3	3	0	3	0
Other specialised ²	5	5	0	5	0
Sub-total	1,984	1,984	0	1,948	1.8
Umbrella structures	234	232	0.9	235	-0.4
Total	2,218	2,216	0.1	2,183	1.6

¹ Including leveraged and inverse products.

² Including futures and options funds, structured funds and funds which invest in financial derivative instruments.

Table 3 Authorised unit trusts and mutual funds – by type and assets under management

	Total NAV (US\$ million) as at 30.6.2019	Total NAV (US\$ million) as at 31.3.2019	Change (%)	Total NAV (US\$ million) as at 30.6.2018	YoY change (%)
Bond	573,230	534,298	7.3	517,696	10.7
Equity	719,175	721,365	-0.3	737,678	-2.5
Diversified	163,768	165,708	-1.2	179,493	-8.8
Money market	22,445	22,284	0.7	20,357	10.3
Fund of funds	22,841	22,581	1.2	22,522	1.4
Index ¹	101,263	96,164	5.3	93,861	7.9
Guaranteed	70	72	-2.8	95	-26.3
Other specialised ²	712	748	-4.8	999	-28.7
Total	1,603,504	1,563,220	2.6	1,572,701	2

¹ Including leveraged and inverse products.

² Including futures and options funds, structured funds and funds which invest in financial derivative instruments.

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Table 4 Authorised unit trusts and mutual funds – by origin

	As at 30.6.2019	As at 31.3.2019	Change (%)	As at 30.6.2018	YoY change (%)
Hong Kong	792	789	0.4	765	3.5
Luxembourg	1,058	1,064	-0.6	1,028	2.9
Ireland	222	218	1.8	233	-4.7
United Kingdom	53	53	0	54	-1.9
Mainland China	51	50	2	50	2
Other Europe	3	3	0	3	0
Bermuda	1	1	0	1	0
Cayman Islands	30	30	0	41	-26.8
Others	8	8	0	8	0
Total	2,218	2,216	0.1	2,183	1.6

Table 5 Authorised unit trusts and mutual funds – by origin and assets under management

	Total NAV (US\$ million) as at 30.6.2019	Total NAV (US\$ million) as at 31.3.2019	Change (%)	Total NAV (US\$ million) as at 30.6.2018	YoY change (%)
Hong Kong	154,982	154,831	0.1	151,987	2
Luxembourg	1,074,490	1,059,476	1.4	1,062,352	1.1
Ireland	228,645	207,154	10.4	210,085	8.8
United Kingdom	74,981	73,987	1.3	80,166	-6.5
Mainland China	18,570	19,615	-5.3	18,262	1.7
Other Europe	145	140	3.6	131	10.7
Bermuda	156	153	2	167	-6.6
Cayman Islands	8,332	7,718	8	8,779	-5.1
Others	43,203	40,146	7.6	40,771	6
Total	1,603,504	1,563,220	2.6	1,572,701¹	2

¹ The figure does not add up to total due to rounding.

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Table 6 Takeovers activities

	Quarter ended 30.6.2019	Quarter ended 31.3.2019	Change (%)	Quarter ended 30.6.2018	YoY change (%)
Codes on Takeovers and Mergers and Share Buy-backs					
General and partial offers under Code on Takeovers and Mergers	6	11	-45.5	18	-66.7
Privatisations	4	1	300	1	300
Whitewash waiver applications	6	5	20	8	-25
Other applications under Code on Takeovers and Mergers ¹	83	68	22.1	77	7.8
Off-market and general offer share buy-backs	3	2	50	4	-25
Other applications under Code on Share Buy-backs ¹	1	1	0	3	-66.7
Total	103	88	17	111	-7.2
Executive Statements					
Sanctions imposed with parties' agreement ²	1	0	N/A	1	0
Takeovers and Mergers Panel					
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	0	0	1	-100
Hearings before the Panel (disciplinary and non-disciplinary)	1	0	N/A	0	N/A

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.

Table 7 Complaints against intermediaries and market activities

	Quarter ended 30.6.2019	Quarter ended 31.3.2019	Change (%)	Quarter ended 30.6.2018	YoY change (%)
Conduct of licensees	149	121	23.1	121	23.1
Conduct of registered institutions	16	5	220	3	433.3
Listed companies and disclosure of interests	433	495	-12.5	258	67.8
Market misconduct ¹	204	99	106.1	97	110.3
Product disclosure	3	5	-40	2	50
Unlicensed activities	50	30	66.7	57	-12.3
Breach of offers of investments	69	10	590	9	666.7
Boiler rooms and suspicious websites	149	104	43.3	95	56.8
Scams and frauds ²	50	38	31.6	74	-32.4
Other financial activities not regulated by SFC ³	77	83	-7.2	138	-44.2
Total	1,200	990	21.2	854	40.5

¹ Primarily, alleged market manipulation and insider dealing.

² Such as identity fraud and impersonation.

³ For example, bullion trading and banking complaints.