

Highlights

Regulatory enhancements

Trustees and custodians of public funds: We launched a consultation on proposals to regulate trustees and custodians of SFC-authorized collective investment schemes.

Investor compensation: We released consultation conclusions on proposed enhancements to the investor compensation regime.

Securities margin financing: We issued frequently asked questions to provide guidance on compliance with the new securities margin financing guidelines which came into effect on 4 October.

Virtual assets: We published a position paper on the regulation of virtual asset trading platforms together with a statement to warn investors about the risks associated with virtual asset futures contracts.

Market development

Products: We authorised 22 unit trusts and mutual funds and 80 unlisted structured investment products for public offering. We also registered two private open-ended fund companies.

Derivatives: We approved 10 derivatives contracts proposed by Hong Kong Exchanges and Clearing Limited to meet the trading and hedging needs of market participants.

Listing regulation

Listing applications: We vetted 86 new listing applications.

Corporate conduct: As part of our review of corporate disclosure, we issued section 179 directions to gather additional information in 15 cases and wrote to detail our concerns in four transactions.

Corporate acquisitions: A statement reminded directors and their advisers to comply with their statutory and other legal duties in corporate acquisitions and disposals.

Backdoor listings: We published a statement explaining our general approach to tackle backdoor listings and shell activities.

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Intermediaries

Licensing: As at 30 September, the number of licensees and registrants totalled 47,635, up 3.4% from last year, and the number of licensed corporations grew 7.2% to 3,048. Both were record highs.

Inspections: We conducted 106 on-site inspections of licensed corporations to review their compliance with regulatory requirements, up 28.8% year-on-year.

Client assets: We issued a circular reminding intermediaries of their obligations to adequately safeguard client assets.

Data standards for order lifecycle: We issued a circular on standards for the content and presentation format of trading data to be submitted to us by large securities brokers as we develop our data analytic capabilities.

Key risk indicator data: We launched a new platform on our online portal to collect and analyse key risk indicator data from global institutions to facilitate our supervision.

Enforcement

Disciplinary actions: We disciplined six licensed corporations and nine licensed representatives, resulting in total fines of over \$15 million.

Market surveillance: We made 2,491 requests to intermediaries for trading and account records triggered by untoward price and turnover movements.

Regulatory cooperation

ICAC: We entered into a memorandum of understanding with the Independent Commission Against Corruption (ICAC) to formalise and strengthen our cooperation in combating financial crime.

Green finance: We will join the International Platform on Sustainable Finance launched by the European Commission to exchange information, share best practices and coordinate regulatory initiatives.