

# Activity Data

Table 1 Breaches noted during on-site inspections

	Quarter ended 30.9.2019	Six months ended 30.9.2019	Six months ended 30.9.2018	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	2	4	5	-20
Failure to safekeep client securities	5	14	15	-6.7
Failure to maintain proper books and records	5	12	11	9.1
Failure to safekeep client money	3	21	18	16.7
Unlicensed dealing and other registration issues	5	11	7	57.1
Breach of licensing conditions	1	3	1	200
Breach of requirements of contract notes/ statements of account/receipts	8	14	18	-22.2
Failure to make filing/notification	2	2	0	N/A
Breach of margin requirements	0	3	7	-57.1
Dealing malpractices	3	5	1	400
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission <sup>1</sup>	64	157	167	-6
Breach of Corporate Finance Adviser Code of Conduct	1	2	0	N/A
Breach of Fund Manager Code of Conduct	20	37	24	54.2
Breach of regulation of on-line trading	0	4	2	100
Non-compliance with anti-money laundering guidelines	91	190	75	153.3
Breach of other rules and regulations of the Exchanges <sup>2</sup>	1	6	9	-33.3
Internal control weaknesses <sup>3</sup>	116	215	229	-6.1
Others	51	107	41	161
<b>Total</b>	<b>378</b>	<b>807</b>	<b>630</b>	<b>28</b>

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

<sup>2</sup> The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

<sup>3</sup> 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.

## Activity Data

**Table 2** Authorised unit trusts and mutual funds – by type

	As at 30.9.2019	As at 31.3.2019	Change (%)	As at 30.9.2018	YoY change (%)
Bond	472	474	-0.4	454	4
Equity	992	1,005	-1.3	1,000	-0.8
Diversified	181	181	0	178	1.7
Money market	43	44	-2.3	43	0
Fund of funds	108	110	-1.8	111	-2.7
Index <sup>1</sup>	172	162	6.2	158	8.9
Guaranteed	3	3	0	3	0
Other specialised <sup>2</sup>	5	5	0	5	0
Sub-total	1,976	1,984	-0.4	1,952	1.2
Umbrella structures	233	234	-0.4	233	0
<b>Total</b>	<b>2,209</b>	<b>2,218</b>	<b>-0.4</b>	<b>2,185</b>	<b>1.1</b>

<sup>1</sup> Including leveraged and inverse products.

<sup>2</sup> 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 30.9.2019	Total NAV (US\$ million) as at 31.3.2019	Change (%)	Total NAV (US\$ million) as at 30.9.2018	YoY change (%)
Bond	587,089	534,298	10	507,140	15.8
Equity	693,504	721,365	-3.9	736,035	-5.8
Diversified	160,224	165,708	-3.3	173,811	-7.8
Money market	22,738	22,284	2	21,553	5.5
Fund of funds	22,226	22,581	-1.6	22,593	-1.6
Index <sup>1</sup>	108,069	96,164	12.4	88,934	21.5
Guaranteed	66	72	-8.3	90	-26.7
Other specialised <sup>2</sup>	622	748	-17	923	-32.6
<b>Total</b>	<b>1,594,538</b>	<b>1,563,220</b>	<b>2</b>	<b>1,551,079</b>	<b>2.8</b>

<sup>1</sup> Including leveraged and inverse products.

<sup>2</sup> Including futures and options funds, structured funds and funds which invest in financial derivative instruments.

## Activity Data

Table 4 Authorised unit trusts and mutual funds – by origin

	As at 30.9.2019	As at 31.3.2019	Change (%)	As at 30.9.2018	YoY change (%)
Hong Kong	792	789	0.4	762	3.9
Luxembourg	1,055	1,064	-0.8	1,037	1.7
Ireland	217	218	-0.5	231	-6.1
United Kingdom	53	53	0	53	0
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	40	-25
Others	7	8	-13	8	-13
<b>Total</b>	<b>2,209</b>	<b>2,216</b>	<b>-0.3</b>	<b>2,185</b>	<b>1.1</b>

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

	Total NAV (US\$ million) as at 30.9.2019	Total NAV (US\$ million) as at 31.3.2019	Change (%)	Total NAV (US\$ million) as at 30.9.2018	YoY change (%)
Hong Kong	151,663	154,831	-2	146,811	3.3
Luxembourg	1,056,143	1,059,476	-0.3	1,065,067	-0.8
Ireland	234,449	207,154	13.2	203,060	15.5
United Kingdom	75,046	73,987	1.4	74,643	0.5
Mainland China	18,461	19,615	-5.9	16,807	9.8
Other Europe	137	140	-2.1	125	9.6
Bermuda	156	153	2.0	156	0
Cayman Islands	7,820	7,718	1.3	8,384	-6.7
Others	50,663	40,146	26.2	36,026	41
<b>Total</b>	<b>1,594,538</b>	<b>1,563,220</b>	<b>2</b>	<b>1,551,079</b>	<b>2.8</b>

## Activity Data

**Table 6 Takeovers activities**

	Quarter ended 30.9.2019	Quarter ended 30.6.2019	Change (%)	Quarter ended 30.9.2018	YoY change (%)
<b>Codes on Takeovers and Mergers and Share Buy-backs</b>					
General and partial offers under Code on Takeovers and Mergers	15	6	150	14	7.1
Privatisations	3	4	-25	2	50
Whitewash waiver applications	2	6	-66.7	2	0
Other applications under Code on Takeovers and Mergers <sup>1</sup>	66	83	-20.5	59	11.9
Off-market and general offer share buy-backs	2	3	-33.3	2	0
Other applications under Code on Share Buy-backs <sup>1</sup>	1	1	0	2	-50
<b>Total</b>	<b>89</b>	<b>103</b>	<b>-13.6</b>	<b>81</b>	<b>9.9</b>
<b>Executive Statements</b>					
Sanctions imposed with parties' agreement <sup>2</sup>	0	0	0	1	-100
<b>Takeovers and Mergers Panel</b>					
Hearings before the Panel (disciplinary and non-disciplinary)	1	1	0	0	N/A
Statements issued by the Panel <sup>3</sup>	0	1	-100	0	N/A

<sup>1</sup> Including stand-alone applications and those made during the course of a code-related transaction.

<sup>2</sup> Pursuant to section 12.3 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

<sup>3</sup> Pursuant to section 16.1 of the Introduction to the Codes on Takeovers and Mergers and Share Buy-backs.

**Table 7 Complaints against intermediaries and market activities**

	Quarter ended 30.9.2019	Six months ended 30.9.2019	Six months ended 30.9.2018	YoY change (%)
Conduct of licensees	115	264	225	17.3
Conduct of registered institutions	3	19	7	171.4
Listed companies and disclosure of interests	363	796	2,161	-63.2
Market misconduct <sup>1</sup>	151	355	187	89.8
Product disclosure	1	4	2	100
Unlicensed activities	26	76	91	-16.5
Breach of offers of investments	16	85	15	466.7
Boiler rooms and suspicious websites	133	282	163	73
Scams and frauds <sup>2</sup>	93	143	151	-5.3
Other financial activities not regulated by SFC <sup>3</sup>	68	145	387	-62.5
<b>Total</b>	<b>969</b>	<b>2,169</b>	<b>3,389</b>	<b>-36</b>

<sup>1</sup> Primarily, alleged market manipulation and insider dealing.

<sup>2</sup> Such as identity fraud and impersonation.

<sup>3</sup> For example, bullion trading and banking complaints.