

Products

Authorisations and registrations

As of 31 December, 2,761 collective investment schemes were authorised by us for public offering. During the quarter, we authorised 50 unit trusts and mutual funds, one paper gold scheme, one real estate investment trust and 18 unlisted structured investment products.

Mutual Recognition of Funds

Under the Mainland-Hong Kong Mutual Recognition of Funds (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 23 Hong Kong funds.

As of 31 December, the cumulative net subscription for Mainland funds was about RMB264.2 million and for Hong Kong funds it was about RMB16.18 billion. Mainland funds recorded a net redemption of about RMB6.73 million this quarter whilst Hong Kong funds recorded a net redemption of about RMB479.44 million.

Enhancements to OFC regime

To encourage more private funds to set up in Hong Kong, we launched a consultation in December on proposed enhancements to the open-ended fund companies (OFC) regime. The changes would allow licensed or registered securities brokers to act as custodians for private OFCs and expand the investment scope for private OFCs to include loans as well as shares and debentures of Hong Kong private companies. We also proposed to introduce a statutory mechanism for the re-domiciliation of overseas

corporate funds to Hong Kong and require OFCs to keep a register of beneficial shareholders to enhance anti-money laundering and counter-terrorist financing measures.

Revised UT Code

The 12-month transition period for the implementation of the revised Code on Unit Trusts and Mutual Funds (UT Code) ended on 31 December 2019. Changes included setting a clear limit for derivative usage by plain vanilla funds (ie, non-derivative funds). To provide transparency, SFC-authorised funds are now listed as derivative or non-derivative funds on the SFC website. As at 31 December, there were 1,777 non-derivative funds and 114 derivative funds.

Master-feeder ETF requirements

In December, we issued a circular on streamlined requirements which allow an SFC-authorised feeder exchange-traded fund (ETF) to invest in a non-SFC authorised overseas master ETF, subject to conditions, on a case-by-case basis. This will make the development of ETF products more cost-effective and provide investors with more investment choices.

Green and ESG funds

In December, we launched a central database to improve the transparency and visibility of SFC-authorised green and environmental, social and governance (ESG) funds. As at the end of the quarter, 21 funds complied with the enhanced disclosure guidance for green and ESG funds which we announced in April 2019.

Products

Authorised and registered collective investment schemes^a

	As at 31.12.2019	As at 31.3.2019	Change (%)	As at 31.12.2018	YoY change (%)
Unit trusts and mutual funds	2,165	2,216	-2.3	2,195	-1.4
Investment-linked assurance schemes	299	300	-0.3	300	-0.3
Pooled retirement funds	33	34	-3	34	-3
Mandatory provident fund (MPF) schemes	29	31	-6	31	-6
MPF pooled investment funds	206	191	8	195	6
Private OFCs	2	0	N/A	0	N/A
Others	27 ^b	25	8	25	8
Total	2,761	2,797	-1	2,780	-0.7

^a Excluding unlisted structured investment products.

^b Comprising 15 paper gold schemes and 12 real estate investment trusts (REITs).

Unlisted structured investment products

	Quarter ended 31.12.2019	Nine months ended 31.12.2019	Nine months ended 31.12.2018	YoY change (%)
Unlisted structured investment products ^a	18	116	98	18.4
Authorisations granted under section 105 of the Securities and Futures Ordinance ^b	11	79	68	16

^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.

Products

SFC-authorized renminbi investment products

	As at 31.12.2019
Unlisted products	
Unlisted funds primarily investing in the onshore Mainland securities markets ^a or offshore renminbi bonds, fixed income instruments or other securities	60
Unlisted funds (non-renminbi denominated) with renminbi share classes	229
Paper gold schemes with renminbi features	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	50
Unlisted structured investment products issued in renminbi ^b	146
Listed products	
ETFs primarily investing in the onshore Mainland securities markets ^a or offshore renminbi bonds, fixed income instruments or other securities	28
ETFs (non-renminbi denominated) with renminbi trading counters	20
Renminbi gold ETFs ^c	1
Renminbi REITs	1

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

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

^c Only includes gold ETF denominated in renminbi.