

# Activity Data

Table 1 Breaches noted during on-site inspections

Nature of breaches	Quarter ended 31.12.2019	Nine months ended 31.12.2019	Nine months ended 31.12.2018	YoY change (%)
Failure to comply with Securities and Futures (Financial Resources) Rules	3	7	7	0
Failure to safekeep client securities	8	22	26	-15.4
Failure to maintain proper books and records	4	16	13	23.1
Failure to safekeep client money	9	30	27	11.1
Unlicensed dealing and other registration issues	2	13	11	18.2
Breach of licensing conditions	0	3	4	-25
Breach of requirements of contract notes/statements of account/receipts	10	24	23	4.3
Failure to make filing/notification	1	3	0	N/A
Breach of margin requirements	1	4	8	-50
Dealing malpractices	0	5	2	150
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission <sup>1</sup>	54	210	225	-6.7
Breach of Corporate Finance Adviser Code of Conduct	2	4	6	-33.3
Breach of Fund Manager Code of Conduct	23	60	48	25
Breach of regulation of online trading	2	6	2	200
Non-compliance with anti-money laundering guidelines	87	277	140	97.9
Breach of other rules and regulations of the Exchanges <sup>2</sup>	4	10	10	0
Internal control weaknesses <sup>3</sup>	123	339	321	5.6
Others	25	132	64	106.3
<b>Total</b>	<b>358</b>	<b>1,165</b>	<b>937</b>	<b>24.3</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 31.12.2019	As at 31.3.2019	Change (%)	As at 31.12.2018	YoY change (%)
Bond	471	474	-0.6	468	0.6
Equity	960	1,005	-4.5	995	-3.5
Diversified	182	181	0.6	179	1.7
Money market	43	44	-2.3	42	2.4
Fund of funds	107	110	-2.7	110	-2.7
Index <sup>1</sup>	176	162	8.6	161	9.3
Guaranteed	3	3	0	3	0
Other specialised <sup>2</sup>	1	5	-80	5	-80
Sub-total	1,943	1,984	-2.1	1,963	-1
Umbrella structures	222	234	-5.1	232	-4.3
<b>Total</b>	<b>2,165</b>	<b>2,218</b>	<b>-2.4</b>	<b>2,195</b>	<b>-1.4</b>

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

<sup>2</sup> Including futures and options funds, structured funds and funds that 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 31.12.2019	Total NAV (US\$ million) as at 31.3.2019	Change (%)	Total NAV (US\$ million) as at 31.12.2018	YoY change (%)
Bond	600,639	534,298	12.4	493,953	21.6
Equity	736,578	721,365	2.1	650,173	13.3
Diversified	169,628	165,708	2.4	154,866	9.5
Money market	19,773	22,284	-11.3	22,700	-12.9
Fund of funds	23,479	22,581	4	21,006	11.8
Index <sup>1</sup>	127,457	96,164	32.5	88,942	43.3
Guaranteed	67	72	-6.9	79	-15.2
Other specialised <sup>2</sup>	145	748	-80.6	818	-82.3
<b>Total</b>	<b>1,677,766</b>	<b>1,563,220</b>	<b>7.3</b>	<b>1,432,537</b>	<b>17.1</b>

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

<sup>2</sup> Including futures and options funds.

Table 4 Authorised unit trusts and mutual funds – by origin

	As at 31.12.2019	As at 31.3.2019	Change (%)	As at 31.12.2018	YoY change (%)
Hong Kong	763	789	-3.3	775	-1.5
Luxembourg	1,041	1,064	-2.2	1,050	-0.9
Ireland	220	218	0.9	218	0.9
United Kingdom	51	53	-3.8	53	-3.8
Mainland China	50	50	0	50	0
Other Europe	3	3	0	3	0
Bermuda	1	1	0	1	0
Cayman Islands	30	30	0	37	-18.9
Others	6	8	-25	8	-25
<b>Total</b>	<b>2,165</b>	<b>2,216</b>	<b>-2.3</b>	<b>2,195</b>	<b>-1.4</b>

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

	Total NAV (US\$ million) as at 31.12.2019	Total NAV (US\$ million) as at 31.3.2019	Change (%)	Total NAV (US\$ million) as at 31.12.2018	YoY change (%)
Hong Kong	160,130	154,831	3.4	137,745	16.2
Luxembourg	1,107,091	1,059,476	4.5	977,502	13.3
Ireland	251,373	207,154	21.3	187,928	33.8
United Kingdom	83,239	73,987	12.5	66,508	25.2
Mainland China	19,252	19,615	-1.9	14,955	28.7
Other Europe	150	140	7.1	126	19
Bermuda	145	153	-5.2	156	-7.1
Cayman Islands	7,427	7,718	-3.8	7,491	-0.9
Others	48,959	40,146	22	40,126	22
<b>Total</b>	<b>1,677,766</b>	<b>1,563,220</b>	<b>7.3</b>	<b>1,432,537</b>	<b>17.1</b>

Table 6 Takeovers activities

	Quarter ended 31.12.2019	Nine months ended 31.12.2019	Nine months ended 31.12.2018	YoY change (%)
<b>Codes on Takeovers and Mergers and Share Buy-backs</b>				
General and partial offers under Code on Takeovers and Mergers	9	30	44	-31.8
Privatisations	5	12	5	140
Whitewash waiver applications	3	11	16	-31.3
Other applications under Code on Takeovers and Mergers <sup>1</sup>	67	216	207	4.3
Off-market and general offer share buy-backs	0	5	7	-28.6
Other applications under Code on Share Buy-backs <sup>1</sup>	0	2	6	-66.7
<b>Total</b>	<b>84</b>	<b>276</b>	<b>285</b>	<b>-3.2</b>
<b>Executive Statements</b>				
Sanctions imposed with parties' agreement <sup>2</sup>	1	3	2	50
<b>Takeovers and Mergers Panel</b>				
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	0	1	-100
Hearings before the Panel (disciplinary and non-disciplinary)	0	2	0	N/A
Statements issued by the Panel <sup>3</sup>	1	2	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.

## Activity Data

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

	Quarter ended 31.12.2019	Nine months ended 31.12.2019	Nine months ended 31.12.2018	YoY change (%)
Conduct of licensees	154	418	332	25.9
Conduct of registered institutions	6	25	11	127.3
Listed companies and disclosure of interests	899	1,695	2,990	-43.3
Market misconduct <sup>1</sup>	54	409	265	54.3
Product disclosure	2	6	3	100
Unlicensed activities	71	147	134	9.7
Breach of offers of investments	5	90	20	350
Boiler rooms and suspicious websites	105	387	274	41.2
Scams and frauds <sup>2</sup>	51	194	247	-21.5
Other financial activities <sup>3</sup>	59	204	768	-73.4
<b>Total</b>	<b>1,406</b>	<b>3,575</b>	<b>5,044</b>	<b>-29.1</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 services.