

# Investment products

## Authorisations

As of 31 December, there were 2,789 SFC-authorised collective investment schemes (CIS) on offer to the public. During the quarter, we authorised 36 CIS, all of which were unit trusts and mutual funds. We also authorised 18 unlisted structured investment products for public offering.

## Renminbi products

As of 31 December, there were 59 renminbi-denominated SFC-authorised unlisted funds and 29 exchange-traded funds (ETFs) investing onshore in the Mainland securities markets<sup>1</sup>, with total assets under management of RMB40.8 billion.

## Mutual recognition of funds (MRF)

### Mainland China

Under the Mainland-Hong Kong 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 ten Hong Kong funds.

### Switzerland

As of 31 December, four SFC-authorised funds were approved by the Swiss Financial Market Supervisory Authority for distribution to retail investors in Switzerland under the Switzerland-Hong Kong MRF arrangement.

## Asset management regulation

On 16 November, we published consultation conclusions on proposed enhancements to asset management regulation and point-of-sale transparency. These enhancements ensure our regulations are properly benchmarked to evolving international standards and strengthen Hong Kong's position as a major asset management centre. We also launched a further consultation on disclosure requirements applicable to discretionary accounts.

## Code on Unit Trusts and Mutual Funds

To update the regulatory regime for SFC-authorised funds and address risks posed by financial innovation and fast-moving market developments, we launched a three-month consultation on proposed amendments to the Code on Unit Trusts and Mutual Funds on 18 December.

The proposals strengthen requirements for key operators, provide greater flexibility and enhanced safeguards for funds' investment activities and introduce new fund types, including active ETFs. The consultation will close on 19 March 2018.

## Expansion of online submissions

During the quarter, we announced that information under section 110(1) of the Securities and Futures Ordinance (SFO)<sup>2</sup> may be submitted electronically via the SFC Online Portal from 24 November onwards.

<sup>1</sup> These unlisted funds and ETFs primarily invest in the Mainland securities markets through the Renminbi Qualified Foreign Institutional Investor quota, Stock Connect, Bond Connect and the China Interbank Bond Market.

<sup>2</sup> Under section 110(1) of the SFO, an authorised financial institution, a bank incorporated outside of Hong Kong and other specified persons are required to submit certain prescribed information to the SFC within 10 business days (or such longer period as is prescribed by rules made under section 397 of the SFO) after the issue of any advertisement, invitation or document referred to in section 103(3)(e), (f) or (g) of the SFO relating to the issue of certificates of deposit or other specified instruments.

## Investment products

### Authorised CIS<sup>a</sup>

	As at 31.12.2017	As at 31.3.2017	Change (%)	As at 31.12.2016	YoY change (%)
Unit trusts and mutual funds	2,205	2,203	0.1	2,196	0.4
Investment-linked assurance schemes	299	300	-0.3	300	-0.3
Pooled retirement funds	34	34	0	34	0
Mandatory provident fund (MPF) schemes	31	35	-11.4	35	-11.4
MPF pooled investment funds	194	182	6.6	188	3.2
Others	26 <sup>b</sup>	26	0	26	0
<b>Total</b>	<b>2,789</b>	<b>2,780</b>	<b>0.3</b>	<b>2,779</b>	<b>0.4</b>

<sup>a</sup> Excluding unlisted structured investment products.

<sup>b</sup> Comprising 15 paper gold schemes and 11 real estate investment trusts.

### Unlisted structured investment products

	Quarter ended 31.12.2017	Nine months ended 31.12.2017	Nine months ended 31.12.2016	YoY change (%)
Unlisted structured investment products <sup>a</sup>	18	105	83	26.5
Authorisations granted under section 105 of the SFO <sup>b</sup>	11	68	62	9.7

<sup>a</sup> 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.

<sup>b</sup> Offering documents and advertisements for unlisted structured investment products offered to the Hong Kong public.