

Communications and Education

To promote a deeper understanding of our work and ensure timely and effective dissemination of regulatory updates, we proactively engage with both the industry and the public through an array of communication channels and educational initiatives.

Proactive communications keep the public informed

We actively carry out education and outreach initiatives in a variety of formats to increase public awareness of policy work. Our targeted publicity campaigns help alert the investing public of investment risks including scams. Joint activities with the Investor and Financial Education Council (IFEC), the SFC's wholly-owned subsidiary, promote public understanding of the features and risks of different types of financial products.

Explaining Fintech regulation

Through a range of channels, we informed stakeholders of the regulatory requirements under our new licensing regime for virtual asset trading platforms (VATPs), which took effect on 1 June 2023, and reminded the public of the risks of trading on unregulated platforms.

To explain our requirements, our executives spoke at over 50 interviews, seminars, panel discussions and events organised by government authorities, international regulators, industry associations, professional firms, media outlets, think tanks and universities. We also met with industry associations, and local and international industry participants.

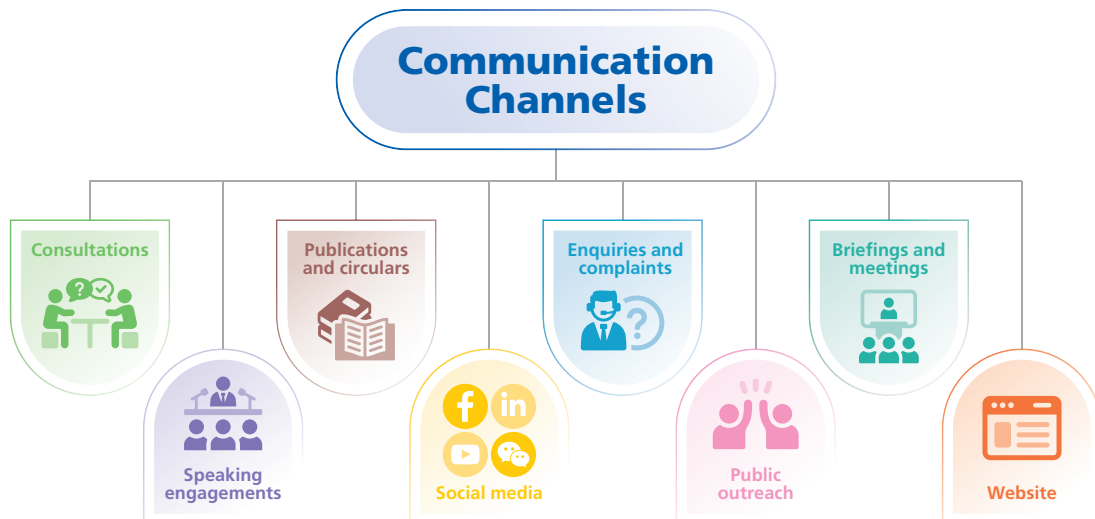
We stepped up our investor education efforts on VATPs through televised interviews with our Director of Licensing and Head of Fintech unit Ms Elizabeth Wong by Radio Television Hong Kong (RTHK) in June 2023 and another by Phoenix TV in August 2023. Ms Wong also explained the investor guardrails embedded in the new regime at an online interview by IFEC in October 2023.

At a media briefing in September 2023, we communicated our measures to reinforce information dissemination to further raise awareness about the risks associated with unregulated VATPs. Our VATP lists published on our dedicated webpage provide a handy resource for the public to check the regulatory status of VATPs.

Broadening online channels for more engaging communication

The SFC's official YouTube channel launched in October 2023 has expanded our online communication toolkit and broadened our reach to the general public. Our videos cover a range of topics such as our policy initiatives, executives' speeches at industry events, as well as alerts to investors. We also maintain an official page on Facebook, WeChat as well as LinkedIn.

We leverage various social media platforms to promote awareness and bring the public's attention to our scam alerts, rule changes and major initiatives to develop Hong Kong's financial market such as sustainable finance and mutual market access schemes. Close to 350 posts were issued during the year.



Amplified efforts to raise awareness of scams

Extending our investor education efforts to combat investment scams is a priority at the SFC. We have devoted additional resources to publicity campaigns and collaborated with IFEC as well as different groups to convey clear and effective messages to a wider public audience.

Investor alerts

To disseminate information in a clear, transparent and timely manner, we enhanced the SFC website to consolidate all investor alerts and make them more accessible to the public. In addition, we issued press releases and social media posts to better alert the public of these updates and promote awareness.

During the year, 19 suspicious VATPs and 28 suspicious investment products were added to the Alert List.

Together with IFEC, we cautioned investors against common ploys by scammers, such as impersonation, fraudulent trading apps and platforms, ramp and dump schemes, as well as fraud associated with virtual assets and other investment products. A series of videos launched by IFEC in February 2024 provided a closer look at scams related to online investing. The videos also reminded investors to check the licensing and registration status of intermediaries and VATPs.



Videos reminded investors about online financial scams

TV drama series

We teamed up with RTHK to produce a new series of "SFC in Action", a law-enforcement TV drama series which illustrates to the public prevalent investment scams and other market misconduct, helping them to stay out of harm's way. Consisting of four episodes, the series recounts the SFC's major enforcement cases in recent years, focusing on social media investment scams, ramp and dump schemes, insider dealing and market manipulation.

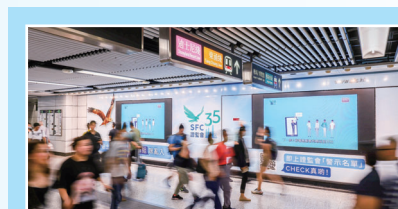
The series premiered on the channel RTHK TV 31 in January 2024 and can be viewed on the SFC YouTube channel.



Our Commission Secretary and Chief Governance Officer Mr Paul Yeung (right) and Director of Broadcasting Mr Eddie Cheung officiate at the launch ceremony of "SFC in Action"

Multimedia publicity campaigns

To caution the public about financial scams and the risks of trading on unregulated VATPs, we launched advertising campaigns on multiple channels, spanning radio, buses, online banners and panels in MTR stations. Through these advertisements, we highlighted the investor alerts against scams to the public across different demographics.





Community events

We supported the anti-scarn carnival organised by the Hong Kong Police Force’s Anti-Deception Coordination Centre in December 2023. Over 3,000 members of the public attended the full-day fun fair, which featured interactive games and educational activities.

At a community event held in March 2024 by the Anti-Scam Alliance led by a few legislators and former senior law-enforcement officials, our Senior Manager of Secretariat and External Mr Joseph Lee shared common tactics used by scammers and tips to avoid falling victim.



Interviews and talks

To remind the public to guard against investment scams, our executives actively spoke on various occasions, including webinars as well as TV and radio interviews.

In January 2024, Mr Jimmy Tong, Director of Enforcement, explained in two RTHK interviews how ramp and dump schemes and other online investment scams operate and provided tips for avoiding them. At an online talk hosted by IFEC in February 2024, Director of Licensing and Head of Fintech unit Ms Wong and Director of Enforcement Mr Damon Cheng discussed common virtual asset-related scam tactics and proper ways to trade these assets. In an RTHK interview in March 2024, Ms Wong explained the risks of trading virtual assets on unlicensed VATPs and urged investors to trade only on SFC-licensed platforms.



Market outreach to advance regulatory dialogue

Events

We maintain an open and constructive dialogue with market participants. To keep the industry informed of regulatory developments, we organise regular meetings, briefing sessions and workshops and contribute articles to industry association newsletters.

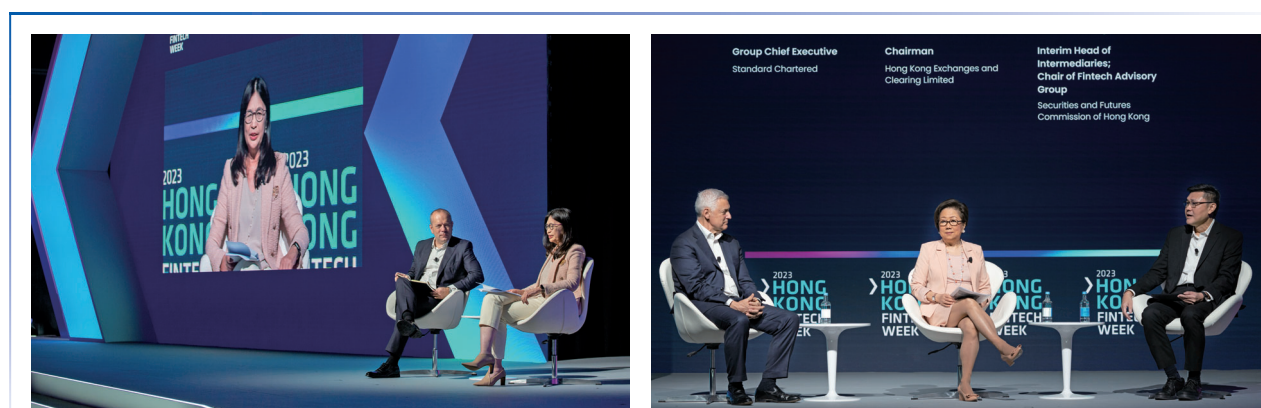
We organised the SFC Regional Securities Regulatory Leadership Symposium in February 2024 as one of the events marking the SFC's 35th anniversary. More than 300 senior government officials, financial regulators and business leaders exchanged views on Asia-Pacific capital market developments (see sidebar on page 94).

In November 2023, we co-hosted the "Conversations with Global Investors" seminar with the Hong Kong Monetary Authority (HKMA) and the Hong Kong Academy of Finance. With the theme "Living with Complexity", the seminar featured 20 global leading investors who shared their investment insights and latest approaches to navigate a challenging landscape. Over 300 overseas and local business leaders attended the seminar, which was the concluding event of the three-day Global Financial Leaders' Investment Summit.

Promoting Fintech is a core objective of our outreach. We co-organised Hong Kong FinTech Week 2023 in November. Highlighting tokenisation as a key topic, our Chief Executive Officer (CEO) Ms Julia Leung discussed the SFC's vision of building a pathway for the Fintech industry to flourish in Hong Kong. Our Interim Head of Intermediaries Mr Keith Choy moderated a panel joined by esteemed members of the industry who shared their experience and insights on the future of financial technology.

Sustainable finance is another area we champion. Our senior executives regularly speak at local and international events on how the SFC leads financial market transformation through sustainability initiatives. In November 2023, we held our inaugural Forum on Sustainability Disclosures to gather market views on developing a sustainability disclosure ecosystem for Hong Kong¹. In the first quarter of 2024, we organised an event on green Fintech² as part of the Government's Hong Kong Green Week and were a Strategic Partner of the inaugural One Earth Summit held during the Hong Kong Financial Mega Event Week.

As part of the SFC's ongoing outreach efforts to make our licensing process more transparent, we engage with the industry in a series of events throughout the year, including a briefing session for legal and



CEO Ms Julia Leung (second left) and Interim Head of Intermediaries Mr Keith Choy (first right) speak at Hong Kong FinTech Week 2023

¹ See Sustainability on pages 115-124.

² The event was organised by the Green and Sustainable Finance Cross-Agency Steering Group, co-chaired by the SFC and HKMA, together with Cyberport and Invest Hong Kong.

compliance advisory firms in March 2024. We provided insights into the latest industry demographics and licensing activities. We also shared key observations gathered through our licensing work and highlighted our recent initiatives to support industry development.

In addition, we hosted two webinars in November 2023 for close to 1,800 management and compliance personnel from licensed corporations to provide updates on major regulatory developments and recent inspection observations on anti-money laundering and counter-financing of terrorism in Hong Kong.

To enhance connectivity with the Middle East, we co-hosted a high-level roundtable and a seminar with the Dubai Financial Services Authority (DFSA) for Hong Kong's asset management industry in April 2024. The events highlighted the opportunities in Dubai and the wider United Arab Emirates for Hong Kong asset managers and explained the regime for offering Hong Kong-domiciled funds in Dubai (see sidebar on page 61).

Speaking engagements

At over 100 local and international events during the year, our senior executives spoke on a wide range of topics and explained our major policy initiatives, including asset management, Fintech and climate finance. We supported 15 seminars and events organised by industry bodies.



Briefing session on licensing requirements for legal and compliance advisory firms



Chairman Mr Tim Lui highlights the significance of our agile regulatory approach in supporting market developments at a forum of the Law Society of Hong Kong

Our Chairman Mr Tim Lui discussed regulatory updates and market developments at major events and seminars. He also delivered keynote speeches on sustainable finance at industry conferences.

Our CEO Ms Leung addressed regional and international audiences at major events. She also shared her views in industry newsletters.

Our other senior executives also spoke at industry conferences and met with trade associations to exchange views on topical issues.



Co-hosting events with the DFSA to promote connectivity with the Middle East

Charting Asian markets' way forward at SFC symposium



Held on 28 February 2024, the half-day SFC Regional Securities Regulatory Leadership Symposium marked the debut event to celebrate the SFC's 35th anniversary.

Twenty prominent speakers from both Asia-Pacific and Europe in the four panels discussed a range of topics: challenges and opportunities for Asian capital markets, regional landscape for investment funds, the role of regulation in sustainable finance, as well as using technology in wealth management.

The event was graced by the keynote speeches of Mr Paul Chan, Financial Secretary of the Hong Kong

Special Administrative Region, and Dr Fang Xinghai, Vice Chairman of the China Securities Regulatory Commission (CSRC). Our Chairman Mr Lui opened the event by stressing the importance of collaboration among Asian financial markets. Our CEO Ms Leung closed the event with the vision that the SFC is ready to embrace emerging technologies and trends to ensure the Asian story has legs to go further.

A full synopsis of the symposium along with the event photos and videos are available on the SFC website.



Consulting on rule changes

When proposing rules under the Securities and Futures Ordinance (SFO), we consistently exceed statutory requirements for public consultation. We also consult on proposed non-statutory codes and guidelines, as well as amendments to them.

We detail our proposals in consultation papers and hold both formal and informal discussions to hear stakeholders’ views as part of our consultation process. After completing our analysis, we publish a consultation conclusions paper to summarise the main comments received and set out our conclusions. During the year, we published six consultation papers and seven consultation conclusions.

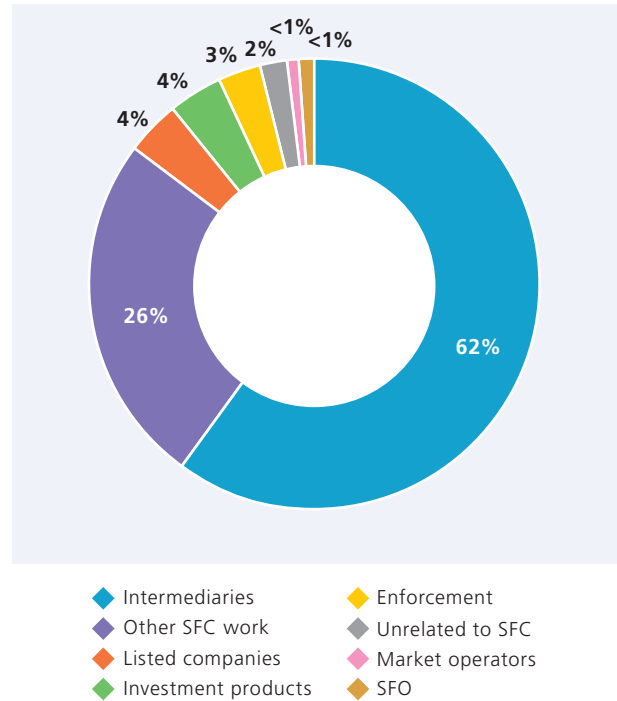
Publications and enquiries

Our publications aim to update the industry on our regulatory work and other noteworthy developments. This year, we issued nine thematic publications, including newsletters, market reviews and surveys. We publish circulars and frequently asked questions on our website to help the industry better understand our regulatory requirements. During the year, the 63 circulars we issued provided guidance on a range of matters, including tokenisation of funds, funds with virtual asset exposure, eligibility to participate in Wealth Management Connect and updates on anti-money laundering and counter-terrorist financing.

We respond verbally or in writing to enquiries from the industry on topics related to our rules and regulations, including licensing, listings and takeovers, product authorisation and short position reporting. Designated email addresses are provided to help us handle enquiries on specific topics more efficiently.

The SFC Fintech Contact Point promotes communication with businesses involved in the development and application of financial technology in conducting regulated activities and virtual asset-related activities in Hong Kong. A separate mailbox dedicated to licensing-related matters regarding VATPs facilitates communication with potential VATP applicants. During the year, we received a total of 391 Fintech-related enquiries.

General enquiries



Government and LegCo

We attend Legislative Council (LegCo) meetings, including meetings of the Panel on Financial Affairs and relevant Bills Committees, to provide legislators with details of our policy initiatives, explain the rationale behind our work and answer questions. We also respond to enquiries and complaints referred to us or raised by LegCo members and other government agencies. Maintaining close liaison with the Financial Services and the Treasury Bureau, we provide updates on our regulatory initiatives through regular meetings and reports. In addition, we provide assistance and information to other government bureaux and departments on various issues.

Regulatory counterparts

We collaborate closely with local, Mainland and overseas regulatory counterparts³, particularly with the CSRC. To contribute to global policymaking with potential impact on our markets, we take an active part in the global regulatory arena and participate in both the International Organization of Securities Commissions and the Financial Stability Board.

³ See Regulatory Engagement on pages 83-88.

Publications and other communications to highlight regulatory updates

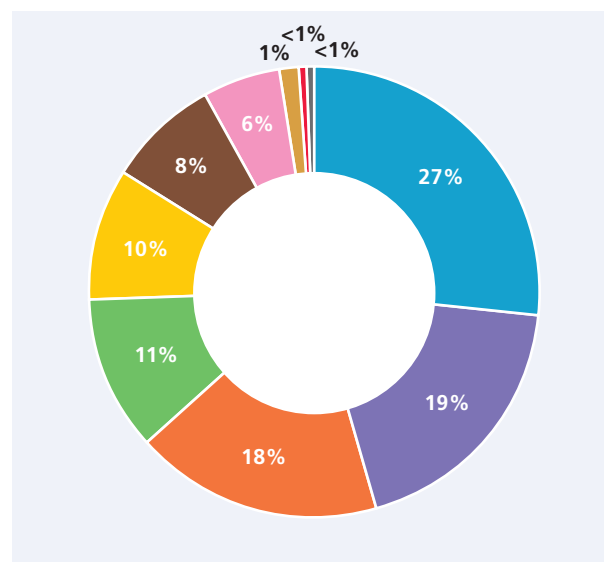
We formulate and execute media strategies to enhance public understanding of our work by engaging the media and explaining our policies, initiatives and regulatory actions. We address public concerns and enquiries regarding the securities and futures markets.

This year, we received 3,637 general enquiries and 3,206 complaints against intermediaries and market activities. Our senior executives gave media interviews to foster public understanding of Hong Kong's financial regulatory framework and the SFC's role.

We issued 186 press releases to inform the public of the latest regulatory actions and other SFC news. We also published six policy statements and announcements explaining our regulatory approach to specific issues.

We released our *Annual Report 2022-23* and quarterly reports to help our stakeholders and the public understand our key regulatory work and corporate developments. Our reporting efforts were recognised with Silver Award in the 2023 Hong Kong Management Association's Best Annual Reports Awards. The report also won a Corporate Governance Award in the Hong Kong Institute of Certified Public Accountants' Best Corporate Governance and ESG Awards 2023. On our corporate website, the public can easily obtain up-to-date information about our work and regulations.

Complaints against intermediaries and market activities



- ◆ Listing-related matters and disclosure of interests
- ◆ Scams and frauds
- ◆ Conduct of licensees
- ◆ Market misconduct
- ◆ Unlicensed activities
- ◆ Other financial activities not regulated by SFC
- ◆ Boiler rooms and suspicious websites
- ◆ Breach of offers of investments
- ◆ Conduct of registered institutions
- ◆ Product disclosure

Publications and other communications

	2023/24	2022/23	2021/22
Press releases	186	114	111
Policy statements and announcements	6	7	3
Consultation papers	6	8	3
Consultation conclusions	7	4	8
Industry-related publications	16	9	13
Codes and guidelines ^a	12	4	5
Circulars to industry	63	67	85
Corporate website average daily page views ^b	64,941	62,191	35,415
General enquiries	3,637	2,947	4,207

^a Includes updates to previous versions.

^b The average number of webpages browsed per day during the reporting period.

Complaints against intermediaries and market activities

	2023/24	2022/23	2021/22
Conduct of licensees	569	712	725
Conduct of registered institutions	7	36	27
Listing-related matters and disclosure of interests	863	669	1,761
Market misconduct ^a	360	344	512
Product disclosure	3	12	17
Unlicensed activities	310	339	96
Breach of offers of investments	46	34	50
Boiler rooms and suspicious websites	178	258	374
Scams and frauds ^b	612	341	270
Other financial activities not regulated by SFC ^c	258	253	209
Total	3,206	2,998	4,041

^a Primarily, alleged market manipulation and insider dealing.

^b Such as identity fraud and impersonation.

^c For example, bullion trading and banking services.