

Operational Data

Table 1 Takeovers activities

	2023/24	2022/23	2021/22
Codes on Takeovers and Mergers and Share Buy-backs			
General and partial offers under Code on Takeovers and Mergers	32	33	45
Privatisations	17	11	21
Whitewash waiver applications	21	22	22
Other applications under Code on Takeovers and Mergers ¹	240	231	291
Off-market and general offer share buy-backs	7	7	5
Other applications under Code on Share Buy-backs ¹	0	1	1
Total	317	305	385
Executive Statements			
Sanctions imposed with parties' agreement ²	0	3	3
Takeovers and Mergers Panel			
Meetings for review of Codes on Takeovers and Mergers and Share Buy-backs	0	1	1
Hearings before the Panel (disciplinary and non-disciplinary)	0	2	0
Statements issued by the Panel ³	0	2	0

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

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

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

Table 2 Breaches noted during on-site inspections

	2023/24	2022/23	2021/22
Failure to comply with Securities and Futures (Financial Resources) Rules	13	8	10
Failure to safekeep client securities	41	27	23
Failure to maintain proper books and records	16	20	20
Failure to safekeep client money	45	26	35
Unlicensed dealing and other registration issues	19	10	12
Breach of licensing conditions	1	6	0
Breach of requirements of contract notes/statements of account/receipts	43	46	53
Failure to make filing/notification	0	3	1
Breach of margin requirements	8	3	6
Marketing malpractices	0	0	3
Illegal short selling of securities	1	0	0
Dealing malpractices	0	0	3
Breach of Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ¹	332	243	265
Breach of Corporate Finance Adviser Code of Conduct	9	16	11
Breach of Fund Manager Code of Conduct	122	88	135
Breach of regulation of online trading	17	7	12
Non-compliance with anti-money laundering guidelines	269	214	301
Breach of other rules and regulations of the Exchanges ²	7	2	9
Internal control weaknesses ³	465	430	427
Others	84	81	90
Total	1,492	1,230	1,416

¹ Commonly related to risk management, client agreements, safeguarding of client assets and information for or about clients.

² The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

³ Comprised deficiencies in management review and supervision, operational controls over the handling of client accounts, segregation of duties, information management, adequacy of audit trail for internal control purposes, among other weaknesses.

Table 3 Hong Kong domiciled authorised funds

By type	As at 31.3.2024				As at 31.3.2023			
	Number		Total NAV (US\$ million)		Number		Total NAV (US\$ million)	
Bond	165	(21.6%)	25,928	(14.5%)	173	(22.7%)	26,396	(15.1%)
Equity	203	(26.5%)	44,854	(25.2%)	206	(27.1%)	50,530	(29.0%)
Mixed	111	(14.5%)	25,175	(14.1%)	112	(14.7%)	28,384	(16.3%)
Money market	67	(8.8%)	28,010	(15.7%)	49	(6.4%)	16,542	(9.5%)
Feeder funds ¹	50	(6.5%)	15	(0.0%)	48	(6.3%)	20	(0.0%)
Index ²	165	(21.6%)	54,107	(30.3%)	169	(22.2%)	52,578	(30.1%)
Guaranteed	1	(0.1%)	30	(0.0%)	1	(0.1%)	34	(0.0%)
Other specialised ³	3	(0.4%)	163	(0.1%)	3	(0.4%)	44	(0.0%)
Sub-total	765	(100.0%)	178,280 ⁴	(100.0%) ⁴	761	(100.0%) ⁴	174,527 ⁴	(100.0%)
Umbrella structures	161				152			
Total	926				913			

Note: Unit trusts and mutual funds authorised under the Code on Unit Trusts and Mutual Funds.

¹ The NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV figures in the “Feeder funds” category to better reflect the total asset under management.

² Including exchange-traded funds and leveraged and inverse products.

³ Including virtual asset futures exchange-traded funds.

⁴ Figures may not add up to total due to rounding.

Operational Data

Table 4 Non-Hong Kong domiciled authorised funds

a) By origin	As at 31.3.2024						As at 31.3.2023				
	Umbrella funds	Sub-funds	Single funds	Total		Total NAV (US\$ million)	Total		Total NAV (US\$ million)		
Luxembourg	56	1,009	1	1,066	(74.8%)	1,172,193	(74.3%)	1,063	(75.0%)	1,119,869	(74.9%)
Ireland	25	231	2	258	(18.1%)	248,008	(15.7%)	250	(17.6%)	222,462	(14.9%)
United Kingdom	2	6	18	26	(1.8%)	75,359	(4.8%)	29	(2.0%)	65,319	(4.4%)
Mainland China	1	1	44	46	(3.2%)	17,112	(1.1%)	49	(3.5%)	22,786	(1.5%)
Bermuda	0	0	1	1	(0.1%)	116	(0.0%)	1	(0.1%)	116	(0.0%)
Cayman Islands	3	16	4	23	(1.6%)	1,171	(0.1%)	20	(1.4%)	1,446	(0.1%)
Others	0	0	5	5	(0.4%)	63,680	(4.0%)	5	(0.4%)	63,634	(4.3%)
Total	87	1,263	75	1,425	(100.0%)	1,577,641¹	(100.0%)	1,417	(100.0%)	1,495,633¹	(100.0%)¹

¹ Figures may not add up to total due to rounding.

b) By type	As at 31.3.2024				As at 31.3.2023			
	Number		Total NAV (US\$ million)		Number		Total NAV (US\$ million)	
Bond	358	(26.8%)	453,231	(28.7%)	358	(26.9%)	432,041	(28.9%)
Equity	775	(57.9%)	823,726	(52.2%)	774	(58.2%)	791,354	(52.9%)
Mixed	163	(12.2%)	166,913	(10.6%)	155	(11.7%)	156,729	(10.5%)
Money market	12	(0.9%)	11,777	(0.7%)	12	(0.9%)	9,724	(0.7%)
Feeder funds ¹	3	(0.2%)	0	(0.0%)	3	(0.2%)	0	(0.0%)
Index ²	26	(1.9%)	121,878	(7.7%)	26	(2.0%)	105,669	(7.1%)
Hedge	1	(0.1%)	116	(0.0%)	1	(0.1%)	116	(0.0%)
Sub-total	1,338	(100.0%)	1,577,641 ³	(100.0%) ³	1,329	(100.0%)	1,495,633	(100.0%) ³
Umbrella structures	87				88			
Total	1,425				1,417			

Note: Unit trusts and mutual funds authorised under the Code on Unit Trusts and Mutual Funds.

¹ The NAV of feeder funds whose master funds are authorised by the SFC has been excluded from the total NAV figures in the "Feeder funds" category to better reflect the total asset under management.

² Including exchange-traded funds.

³ Figures may not add up to total due to rounding.

Table 5 Successful prosecutions

Defendant	Date of conviction	Fine/Penalty	Investigation costs awarded
Insider dealing			
WONG Pak Wai	26.10.2023	\$25,000 and 240-hour community service	\$38,277
Short selling			
YEUNG Tak Sum Christine	20.3.2024	18-month imprisonment	–

Note: Cases with fines below \$10,000 are not shown in this table.

Table 6 Other public disciplinary actions

Name	Date	Breach	Action
LO Wai Ming	16.9.2023	Failed to comply with the firm's internal procedures when placing clients' orders and to maintain proper records of clients' order instructions	Banned from re-entering the industry for seven months
WONG Yeung Andy	9.1.2024	Failed to discharge his duties as a Responsible Officer and a member of the senior management of City International Futures (Hong Kong) Limited	Suspended for 10 months

Table 7 Other enforcement activities

	2023/24	2022/23	2021/22
S179 ¹ inquiries commenced	34	31	57
S181 ² inquiries commenced (number of letters sent)	188 (4,627)	191 (5,851)	203 (7,308)
S182 ³ directions issued	182	130	214
Rule 8 directions ⁴ issued	2	0	0
Letter of mindedness ⁴ issued	2	0	0
Cases with search warrants executed	26	35	37
Compliance advice letters issued	144	113	162
Criminal, Civil and Market Misconduct Tribunal (MMT) proceedings			
(a) Insider dealing			
Individuals/corporations summonsed (summons laid)	1 (1)	0 (0)	0 (0)
Individuals/corporations involved in ongoing civil proceedings	10	8	8
Individuals/corporations involved in ongoing MMT proceedings	3	2	2
(b) Market manipulation			
Individuals/corporations summonsed (summons laid)	3 (5)	1 (25)	0 (0)
Individuals/corporations involved in ongoing civil proceedings	29	18	18
Individuals/corporations involved in ongoing MMT proceedings	22	1	0
(c) Others			
Individuals/corporations summonsed (summons laid)	3 (10)	10 (73)	4 (28)
Individuals/corporations involved in ongoing civil proceedings	166	154	142
Individuals/corporations involved in ongoing MMT proceedings	9	11	11
Individuals charged for suspected market misconduct and other offences for indictment prosecution ⁵	17	14	0
Disciplinary enquiry			
Notices of Proposed Disciplinary Action ⁶ issued	26	26	37
Notices of Decision ⁷ issued (including S201 ⁸ agreement)	27	29	43
Securities and Futures Appeals Tribunal (SFAT) hearings			
Applications to SFAT	4	1	8
Applications/hearings completed/withdrawn/abandoned	2	9	2

¹ Section 179 of the Securities and Futures Ordinance (SFO) gives the SFC the power to compel the production of records and documents from persons related to a listed company in relation to fraud or other misconduct.

² Section 181 of the SFO gives the SFC the power to require information from intermediaries about trading transactions, including the identity information of the ultimate clients, the particulars and instructions relating to the transactions.

³ Section 182 of the SFO gives the SFC the power to investigate SFO offences, market misconduct, fraud, misfeasance and disciplinary misconduct.

⁴ A Rule 8 direction is issued by the SFC pursuant to Section 8 of the Securities and Futures (Stock Market Listing) Rules, directing The Stock Exchange of Hong Kong Limited (SEHK) to suspend trading in the shares of a listed company on grounds that the market is misinformed, disorderly or unfair. A letter of mindedness is sent by the SFC to inform a listed company that it is minded to exercise its power under the aforesaid Rules to direct SEHK to suspend trading in the shares of the company, if the company failed to address the concerns raised by the SFC satisfactorily.

⁵ Seventeen individuals were charged with various criminal offences including conspiracy to defraud, fraud, dealing with property known or believed to represent proceeds of indictable offence, illegal short selling and conspiracy to employ a scheme with intent to defraud or deceive in transactions involving securities under section 159A and 159C of the Crimes Ordinance, section 16A of Theft Ordinance, section 25 of the Organized and Serious Crimes Ordinance, and section 170(1) and 300 of the SFO.

⁶ A notice issued by the SFC to regulated persons that it proposes to exercise its disciplinary powers, on grounds that they appear to be guilty of misconduct or not fit and proper.

⁷ A notice that sets out the SFC's decision and its reasons to take disciplinary action against regulated persons.

⁸ Section 201 of the SFO gives the SFC the power to resolve disciplinary proceedings by agreement when the SFC considers it appropriate to do so in the interest of the investing public or in the public interest.

Table 8 Statistical information and financial position of the Hong Kong securities industry¹

	As at 31.12.2023	As at 31.12.2022	As at 31.12.2021
Securities dealers and securities margin financiers	1,406	1,439	1,433
Active cash clients ²	2,193,229	2,203,172	1,939,379
Active margin clients ²	2,563,883	2,446,852	2,219,721
Active clients	4,757,112	4,650,024	4,159,100
Balance sheet	(\$ million)	(\$ million)	(\$ million)
Cash in hand and at bank ³	564,507	678,480	694,492
Amounts receivable from margin clients ⁴	148,038	152,062	218,436
Amounts receivable from clients and other dealers arising from dealing in securities	183,166	179,132	211,398
Proprietary positions	69,444	70,834	148,661
Other assets	366,674	371,941	385,566
Total assets	1,331,829	1,452,449	1,658,553
Amounts payable to clients and other dealers arising from dealing in securities	624,749	697,055	770,952
Total borrowings from financial institutions	28,753	72,890	98,429
Short positions held for own account	2,571	7,183	16,718
Other liabilities	194,380	191,923	244,242
Total shareholders' funds	481,376	483,398	528,212
Total liabilities and shareholders' funds	1,331,829	1,452,449	1,658,553
	12 months to 31.12.2023 (\$ million)	12 months to 31.12.2022 (\$ million)	12 months to 31.12.2021 (\$ million)
Profit and loss			
Total value of transactions ⁵	107,897,497	126,014,719	160,931,088
Net securities commission income	17,113	20,210	31,329
Gross interest income	39,987	23,044	19,394
Other income ⁶	140,139	144,131	166,746
Total operating income	197,239	187,385	217,469
Total overheads and interest expense	172,046	170,730	173,978
Total operating profit	25,193	16,655	43,491
Net profit on proprietary trading	3,307	6,211	21,397
Net profit for the period	28,500	22,866	64,888

¹ Data were extracted from the monthly financial returns submitted under the Securities and Futures (Financial Resources) Rules by corporations licensed for dealing in securities or securities margin financing.

² Active clients are clients for whom the licensed corporation is required to prepare and deliver monthly statements of account in respect of the relevant reporting month under the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules.

³ Cash in hand and at bank include trust monies held on behalf of clients which totalled \$340,373 million (31.12.2022: \$399,988 million).

⁴ As at 31.12.2023, the average collateral coverage was 4.1 times (as at 31.12.2022: 4.2 times). It represents the number of times the aggregate market value of securities collateral deposited by margin clients over the total amount of margin loan due from these clients on a given date on an industry-wide basis.

⁵ The total value of transactions includes trading in equities, bonds and other securities in Hong Kong and overseas.

⁶ Comprises asset management fee income, corporate finance income, inter-company management fee income and others.

Committees, Panels and Tribunal

A number of committees and panels have been set up to advise the SFC on various matters and perform other functions as set out in their terms of reference. Their responsibilities and members are listed in this section. For information on the board committees and Executive Committee, see Corporate Governance on pages 99–114.

SFC Committees

Advisory Committee

Advises the SFC on any matter of policy regarding the performance of its functions.

Chairman

LUI Tim Leung Tim, GBS, JP

Members

LEUNG Fung Yee Julia, SBS, JP (Ex-officio member)
Prof CAI Hongbin (from 1.6.2023)
Prof CHAN Ka Lok, MH (to 31.5.2023)
CHAN Yuk Sing Freeman
CHOI Fung Yee Christina (to 31.5.2023)
DUIGNAN Michael (from 1.6.2023)
Dr JIA Hongrui (from 1.6.2023)
KUNG Yeung Ann Yun Chi, BBS, JP (to 31.5.2023)
LEUNG Chung Yin Rico
LI Tong

MEYER Phillip Michael (from 1.6.2023)
NG Siu Mui Fion
PUN Wing Nin Winnie (to 31.5.2023)
Dr TAN Yue Heng, JP (to 31.5.2023)
TSE Yung Hoi, BBS
WONG Tsu Hing Harold, JP (from 1.6.2023)
WONG Wai Man June
YIEN Yu Yu Catherine (to 30.8.2023)
YIM Lok Kui (to 31.5.2023)
YIU Ka Yan Wilfred (from 1.6.2023)

Number of meetings: 3

Average attendance rate: 84%

Academic and Accreditation Advisory Committee

Approves industry-based courses and examinations for the purpose of meeting the licensing competence requirements, endorses applications from professional bodies and tertiary institutions as recognised institutions for providing continuous professional training (CPT), advises the SFC on areas to study in the context of enhancing Hong Kong's position as an international financial centre and provides input for the development of industry-related courses and training programmes.

During the year, the Committee met once to consider a number of matters including updates on the licensing examination and training plan for virtual asset-related activities, Type 13 regulated activity and over-the-counter derivatives licensing regime. The Hong Kong Securities and Investment Institute also provided updates on the online regulatory examination arrangement.

Chairperson

CHOY Chung Fai Keith

Members

Prof CAO Jie Jay
Dr CHAN Fung Cheung Wilson
Prof CHAN Wing Ho Alex
CHEUNG Wai Kwok Gary (to 31.3.2024)
Prof CHOI Darwin (from 1.4.2023)

LO Wai Shun Wilson (to 31.3.2024)
PONG Po Lam Paul (to 31.3.2024)
WONG Pui Ling Pauline
WONG Wing Fai Joseph (to 31.3.2024)

Secretary

MAN Hoi Yee Holly

Number of meetings: 1

Average attendance rate: 91%

Committee on Real Estate Investment Trusts

Advises the SFC on general policy matters or regulatory issues that are related to the Code on Real Estate Investment Trusts (REITs), the overall market development of REITs, the property or securities market or investment management in Hong Kong or elsewhere, professional practices or guidelines that are involved in the operation of REITs, and fund investment or management in general.

There was one meeting during the year.

Chairperson

CHOI Fung Yee Christina

Members

CHAN Duen Grace
 Prof CHAU Kwong Wing
 CHEUNG Keith
 CHU Ho Kwan Raphael
 DUGNAN Michael
 LAU Ka Shi Betsy, BBS

LAU Pak Wai
 LU Ming
 WONG Sing Ming (Rita WONG)
 YEONG Wei Ming Alexandra
 YUEN Ka Fai (Frank YUEN)

Secretary

LAU Tin Mei

Number of meetings: 1

Average attendance rate: 83%

Disciplinary Chair Committee

Members are nominated by the Nominations Committee on the basis that they are duly experienced and legally qualified persons. Their role is to act as Chairman of the Takeovers and Mergers Panel in disciplinary proceedings under the Codes on Takeovers and Mergers and Share Buy-backs or of the Takeovers Appeal Committee on a case-by-case basis.

Members

JAT Sew Tong, SC, JP
 LAM Yan Kay Rachel, SC
 MAN Bernard, SC

MAURELLET José-Antonio, SC
 SHIEH Wing Tai Paul, SC
 WONG Man Kit Anson, SC, JP

Committees, Panels and Tribunal

Fintech Advisory Group

The Group aims to broaden the SFC's understanding of the opportunities, risks and regulatory implications of the latest Fintech trends and developments.

During the year, the Group met once to discuss a range of topics such as regulation of the virtual asset market and development of virtual asset custody.

Chairperson

CHOY Chung Fai Keith

Ex-officio member

WONG Lok Yan Elizabeth

Members

AU Alex	LI Shu Pui (to 29.2.2024)
AUYANG Evan	Prof LIN Chen
CHIU Clara	MA Henry (to 29.2.2024)
CRAWFORD Andrew (from 1.3.2024)	OBRADOVIC Bojan (from 1.3.2024)
FOK James (to 29.2.2024)	TAN Jessica (to 29.2.2024)
GAZMARARIAN Lucy	YUEN Kelvin (from 1.3.2024)
KONG Nike (from 1.3.2024)	

Number of meetings: 1

Average attendance rate: 78%

Investor Compensation Fund Committee

Administers the Investor Compensation Fund and regulates its procedures in accordance with Part XII of the Securities and Futures Ordinance (SFO).

During the year, the Committee met once to consider the financial statements of the Fund and deal with other administrative matters.

Chairman

LEUNG Chung Yin Rico

Members

KWOK Hom Siu (Sally KWOK)	WAN Chi Yiu Andrew
Dr LIN James C.	

Number of meetings: 1

Average attendance rate: 100%

Investor Compensation Company Limited Claims Committee

Reviews and determines investors' claims for compensation from the Investor Compensation Fund.

Chairman

Dr LIN James C.

Members

CHAN Lui (Clara CHAN)

CHUI Ming Wai (Vivian CHUI)

KWOK Hom Siu (Sally KWOK)

LEE Jor Hung (Dannis LEE)

LEUNG Chung Yin Rico

MUKADAM Thrity Homi

SO Kang Wong (Pierre SO)

TSUI Kam Yip (Alison TSUI)

WAN Chi Yiu Andrew

Number of meetings: 0

Average attendance rate: N/A

Nominations Committee

Nominates members of the Takeovers and Mergers Panel, the Takeovers Appeal Committee and the Disciplinary Chair Committee.

During the year, the Committee met once to consider the appointment and reappointment of members to the abovementioned panel and committees.

Chairman (ex-officio member)

LEUNG Fung Yee Julia, SBS, JP

Members

DAWES Victor, SC

Ex-officio members

CHAN Yuk Sing Freeman

Alternate members to CHAN Yuk Sing Freeman

KO Teresa Yuk Yin, BBS, JP

LAM Chor Lai Celia

MAGUIRE John Martin

LUI Tim Leung Tim, GBS, JP

DUIGNAN Michael

SCHWILLE Mark Andrew

WEBB David Michael

YU Ka Po Benita

Number of meetings: 1

Average attendance rate: 100%

Committees, Panels and Tribunal

Products Advisory Committee

The SFC may consult the Committee on a wide range of matters relating to the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, the SFC Code on MPF Products and the Code on Pooled Retirement Funds as well as the overall market environment, industry practices and novel product features.

There was no meeting during the year.

Chairman

CHOI Fung Yee Christina

Members

ABRAT Katherine Anna

CHAN Duen Grace

CHENG Siu Fun (Eric CHENG) (from 2.8.2023)

CHO Yee Kee Amy (to 6.11.2023)

FUNG Ka Shing Bernard

FUNG Wai Cheong (Alger FUNG) (from 16.6.2023)

HUI Mei Ying (Carol HUI) (to 2.8.2023)

KENNEDY Glenn Ronald

LAW Lai Wah Andrew

LEE Chi Kee Trevor

LEE Pui Shan (Rosita LEE)

LIAN Shaodong (Doris LIAN)

LIN Christine

Secretary

POON Wing Yee Loreen

LUI Yu Kwok (Marty LUI) (from 2.8.2023)

Dr MAK Sui Choi Billy

NG Ka Li (Elisa NG) (from 6.11.2023)

NOYES Keith Samuel

PAN San Kong Terry

PANG Wai Sau Queenie

SHEN Hua

SMITH Paul Henry

TAM Sau Ngor Vera

TSUI Chi Kin Ellick (to 16.6.2023)

TSUI Wai Yu (Fion TSUI)

YEE Gar Bo Gabriella (to 2.8.2023)

YEONG Wei Ming Alexandra

Number of meetings: 0

Average attendance rate: N/A

Public Shareholders Group

Advises on issues relating to shareholders' rights and interests.

During the year, the Group met four times and discussed various policy subjects, such as class meeting requirement for A/H shareholders, recent performance of the Hong Kong stock market, review of the listed structured products regime and tokenisation of funds and other asset classes.

Chairman

DUIGNAN Michael

Members

CHAN Kwok King Kingsley

CHAN Wai Yan Ronald

FOONG Leonie

GILL Amar Singh

LI Lin Lincoln

MEYER Phillip Michael

MO Yuen Man Anita

TYE Philip Andrew

WANG Fang

WEI Zhen

WONG Chi Ming Sally

Number of meetings: 4

Average attendance rate: 71%

Securities Compensation Fund Committee

Administers the Unified Exchange Compensation Fund and regulates its procedures in accordance with Part X of the repealed Securities Ordinance which, under section 74 of Schedule 10 to the SFO, continues to apply to and in relation to any claim for compensation from the Fund made before 1 April 2003.

During the year, the Committee met once to consider the Fund's financial statements and deal with other administrative matters.

Chairman

LEUNG Chung Yin Rico

Members

KWOK Hom Siu (Sally KWOK)

LAI Chun Mei (Hilda LAI) (from 1.7.2023)

Dr LIN James C.

WAN Chi Yiu Andrew

YIU Ka Yan Wilfred (to 30.6.2023)

Number of meetings: 1

Average attendance rate: 100%

SFC (HKEC Listing) Committee

Exercises powers and functions equivalent to those of the Main Board and GEM Listing Committees of the Stock Exchange of Hong Kong Limited (SEHK) when actual or potential conflicts of interest arise between Hong Kong Exchanges and Clearing Limited (HKEX) and the proper performance of SEHK's listing functions. In such cases, the relevant SEHK functions may be undertaken by the SFC.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman

Members present in each Committee meeting will elect a Chairman among themselves at the beginning of that meeting.

Members

CHAN Wai Yan Ronald

CHAN Yuk Sing Freeman

CHEN Ping Lisa (from 22.5.2023)

CHOI Fung Yee Christina

CHOY Chung Fai Keith

EMSLEY Matthew Calvert

LEE Yuen Man Virginia

LEUNG Chung Yin Rico

LEUNG Fung Yee Julia, SBS, JP

LEUNG Po Wah Pauline

WILSON Christopher

Number of meetings: 0

Average attendance rate: N/A

Committees, Panels and Tribunal

SFC (HKEC Listing) Appeals Committee

Exercises powers and functions equivalent to those of SEHK's Listing Review Committee when actual or potential conflicts of interest arise between HKEX and the proper performance of listing functions by SEHK. In such cases, the relevant powers and functions may be exercised by the SFC.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman

Members present in each Committee meeting will elect a Chairman among themselves at the beginning of that meeting.

Members

CHAN Sui Kuen Agnes, BBS
CHEW Fook Aun
DAWES Victor, SC
KONG Johnson
Dr LIN James C.

LO Kar Chun Nicky, SBS, JP
LUI Tim Leung Tim, GBS, JP
WONG Yick Kam Michael, SBS, MH, JP
YIH Dieter, JP

Number of meetings: 0

Average attendance rate: N/A

Share Registrars' Disciplinary Committee

Hears and determines disciplinary matters relating to share registrars in the first instance.

There were no circumstances which called for a meeting of the Committee during the year.

Chairman

CHIU Jeckle

Deputy Chairman

TSUI Kam Yip Alison

Members

CHAN Pak Lam Tom
FOOTMAN Michael Henry Charles
LAM Hui Yip (Clement LAM)

LEE Virginia Yuen Man
LIN Christine
WONG Man Yee (Fanny WONG)

Number of meetings: 0

Average attendance rate: N/A

Share Registrars' Disciplinary Appeals Committee

Hears and determines appeals from the Share Registrars' Disciplinary Committee. Members of the Share Registrars' Disciplinary Appeals Committee for the hearing of each appeal case brought before it consist of members of the Share Registrars' Disciplinary Committee who did not preside or participate in the disciplinary hearing of that case.

There were no circumstances which called for a meeting of the Committee during the year.

Takeovers and Mergers Panel

Hears disciplinary matters in the first instance and reviews rulings by the Takeovers Executive¹ at the request of any party dissatisfied with such a ruling. Considers novel, important or difficult cases referred to it by the Executive. Reviews, upon request by the SFC, the provisions of the Codes on Takeovers and Mergers and Share Buy-backs and the Rules of Procedure for hearings under the Codes and recommends appropriate amendments to the Codes and Rules of Procedure to the SFC.

There was no meeting during the year.

Chairman

CHAN Yuk Sing Freeman

Deputy Chairpersons

KO Teresa Yuk Yin, BBS, JP

LAM Chor Lai Celia

MAGUIRE John Martin

SCHWILLE Mark Andrew

WEBB David Michael

YU Ka Po Benita

Members

BIDLAKE Alexandra

CHAN Che Chung (Conrad CHAN)

CHARLTON Julia Frances

CLARK Stephen John

IP Koon Wing Ernest

LEE Kam Hung Lawrence, BBS, JP

LEUNG Po Wah Pauline

LIU Yun Bonn (to 3.1.2024)

LO Samson Lambert

NORMAN David Michael

NORRIS Nicholas Andrew

PARK Yoo Kyung

SABINE Martin Nevil

SHAH Asit Sudhir

TYE Philip Andrew

WINTER Richard David

WOLHARDT Julian Juul

WONG Richard

WONG Wai Ming

WONG Yu Tsang Alex

WOO Ka Biu Jackson

YIH Dieter, JP

YUEN Ka Fai (Frank YUEN)

Number of policy meetings: 0

Number of non-disciplinary hearings: 0

Number of disciplinary hearings: 0

Average attendance rate: N/A

Average attendance rate: N/A

Average attendance rate: N/A

¹ The Takeovers Executive refers to the Executive Director of the Corporate Finance Division of the SFC or his delegate.

Committees, Panels and Tribunal

Takeovers Appeal Committee

Reviews disciplinary rulings of the Takeovers and Mergers Panel at the request of an aggrieved party for the sole purpose of determining whether any sanction imposed by the Panel is unfair or excessive.

There were no circumstances which called for a meeting of the Committee during the year.

Members

BIDLAKE Alexandra	PARK Yoo Kyung
CHAN Che Chung (Conrad CHAN)	SABINE Martin Nevil
CHAN Yuk Sing Freeman	SCHWILLE Mark Andrew
CHARLTON Julia Frances	SHAH Asit Sudhir
CLARK Stephen John	TYE Philip Andrew
IP Koon Wing Ernest	WEBB David Michael
KO Teresa Yuk Yin, BBS, JP	WINTER Richard David
LAM Chor Lai Celia	WOLHARDT Julian Juul
LEE Kam Hung Lawrence, BBS, JP	WONG Richard
LEUNG Po Wah Pauline	WONG Wai Ming
LIU Yun Bonn (to 3.1.2024)	WONG Yu Tsang Alex
LO Samson Lambert	WOO Ka Biu Jackson
MAGUIRE John Martin	YIH Dieter, JP
NORMAN David Michael	YU Ka Po Benita
NORRIS Nicholas Andrew	YUEN Ka Fai (Frank YUEN)

Number of meetings: 0

Average attendance rate: N/A

Independent Panels and Tribunal

Leveraged Foreign Exchange Trading Arbitration Panel

Resolves disputes in accordance with the Securities and Futures (Leveraged Foreign Exchange Trading) (Arbitration) Rules.

The panel received no new cases during the year and none were carried over from the previous year.

Chairman

LEE Pui Shan Rosita

Deputy Chairman

CHAN Siu Ping Chordio

Members

FUNG Kit Ming Veronica	LEUNG Tak Lap (to 16.7.2023)
LEUNG Bon Yuen Eviana	Dr WANG Lei Levin (from 17.7.2023)

Process Review Panel for the Securities and Futures Commission

Reviews and advises the SFC upon the adequacy of the SFC's internal procedures and operational guidelines governing the action taken and decisions made by the SFC and its staff in the performance of its regulatory functions, including those related to the handling of complaints, licensing applications, inspection of intermediaries, investment products authorisation, exercise of investigation and disciplinary action, and corporate finance transactions (including the administration of listing rules).

Chairman

LEE Kam Hung Lawrence, BBS, JP

Members

Prof CHAN Ka Lok, MH
 CHAN Lap Tak Jeffrey
 CHAU Suet Fung Dilys, JP
 CHING Kim Wai Kerry
 CHUA Suk Lin Ivy
 CHUI Yik Chiu Vincent

KWAN Wing Han Margaret
 KWOK Pui Fong Miranda, JP
 LAI Hin Wing Henry
 LI Man Bun Brian David, BBS, JP
 LIN Xiaodong Charles
 Dr WANG Lei Levin, JP

Ex-officio members

LUI Tim Leung Tim, GBS, JP

YUNG Lap Yan

Securities and Futures Appeals Tribunal

Reviews a range of specified decisions made under the SFO by the SFC, the Monetary Authority or a recognised investor compensation company, and hears and determines any question or issue arising out of or in connection with any review.

Chairmen

HARTMANN Michael John, GBS
 LUNN Michael Victor, GBS

MCWALTERS Ian Charles, GBS, JP

Members

CHAN Chun Hung Vincent
 Prof CHAN Ka Lok, MH
 Prof CHAN Koon Hung
 CHAN Siu Ping Chordio
 CHAN Yuen Shan Florence
 CHAU Suet Fung Dilys
 CHEN Xin Lorna
 CHEUNG Wai Kwok Gary
 CHUA Suk Lin Ivy
 HO Ching Tak Kent
 HUNG Wan Shun Stephen
 KOO Chi Sum Sammy

Dr KWAN Pak Hoo Bankee
 LAU Pak Wai
 LEUNG Ming Hym Peter
 LUI Kit Fong Carol
 NG Kam Wah Webster
 SENG SZE Ka Mee Natalia
 Prof TANG Hei Wai
 TANG Hamilton Ty
 Dr TO Wing Christopher
 YAU Yu Xin Amelia
 YIP Chai Tuck
 YUEN Siu Bun Edward

Glossary and Abbreviations

Automated trading services (ATS)

Electronic facilities, outside of those provided by a recognised exchange company or clearing house, through which participants may trade, clear and settle securities, futures contracts and over-the-counter derivatives.

Depositaries

Top-level trustees and custodians of SFC-authorized collective investment schemes.

Exchange participant

A company with rights to trade on or through the Stock Exchange of Hong Kong Limited or Hong Kong Futures Exchange Limited.

Financial Stability Board (FSB)

An international body which promotes global financial stability through recommendations for, and the implementation and monitoring of, policy initiatives and international standards.

GEM

A stock market operated by Hong Kong Exchanges and Clearing Limited (HKEX) to provide fund-raising opportunities for small to mid-sized companies which may not meet the Main Board listing requirements. Formerly known as the Growth Enterprise Market.

Green and Sustainable Finance Cross-Agency Steering Group

A group co-chaired by the SFC and the Hong Kong Monetary Authority (HKMA) with participation from the Financial Services and the Treasury Bureau, Environment and Ecology Bureau, Insurance Authority, Mandatory Provident Fund Schemes Authority, Accounting and Financial Reporting Council, and HKEX to coordinate the management of climate and environmental risks in the financial sector, accelerate the growth of green and sustainable finance and support Hong Kong's climate strategies.

Greenwashing

A false or unsubstantiated claim that certain activities or practices are sustainable or environmentally friendly, such as when asset managers market themselves as "green" or "sustainable" but do not fully integrate these factors into their investment processes.

Integrated fund platform (IFP) for retail fund distribution

A platform to be established by HKEX to provide a business-to-business service model initially and cover the front-to-back distribution life cycle and value chain for distribution of SFC-authorized funds in Hong Kong.

International Organization of Securities Commissions (IOSCO)

A body of securities regulators worldwide which develops, implements and promotes adherence to internationally recognised standards for securities regulation. Its membership regulates more than 95% of the world's securities markets in more than 130 jurisdictions.

International Sustainability Standards Board (ISSB)

An independent standard-setting body set up by the IFRS¹ Foundation to develop a high-quality, comprehensive global baseline for corporate sustainability disclosures focused on the needs of investors and the financial markets.

Investment-linked assurance scheme (ILAS)

A life insurance policy with investment elements which provides both insurance protection and investment options, usually through funds.

IOSCO Asia-Pacific Regional Committee (APRC)

Chaired² by our Chief Executive Officer Ms Julia Leung, this group is one of four regional committees and comprises over 30 Asia-Pacific regulators. It focuses on addressing regulatory issues, enhancing supervisory collaboration and experience sharing, and supporting capacity building activities.

¹ International Financial Reporting Standards.

² Ms Leung's two-year term commenced in May 2024 during the IOSCO 2024 Annual Meeting.

Investor and Financial Education Council (IFEC)

An SFC subsidiary dedicated to improving financial literacy in Hong Kong by providing consumer education through mass communication and stakeholder engagement initiatives.

Leveraged and inverse products

Products structured as exchange-traded funds for public offering in Hong Kong. Leveraged products aim to deliver a daily return equivalent to a multiple of the underlying index return while inverse products aim to deliver the opposite of the daily return of the underlying index.

Market Misconduct Tribunal (MMT)

An independent full-time body established under the Securities and Futures Ordinance which imposes civil sanctions against those it determines to be guilty of market misconduct.

Open-ended fund companies (OFC)

Collective investment schemes structured in corporate form with limited liability and variable share capital.

Over-the-counter (OTC) derivatives

Financial instruments which are usually traded directly between dealers and principals rather than via an exchange and whose values are derived from those of underlying assets.

Pooled retirement fund

A collective investment scheme which enables multiple occupational retirement schemes to gain exposure to underlying investment portfolios.

Ramp and dump scheme

A form of stock market manipulation. Fraudsters “ramp” up the price of a stock and use social media to lure unwary investors to buy at an artificially high price. The fraudsters then sell or “dump” the stock to take profits causing the price to collapse.

Real estate investment trust (REIT)

A collective investment scheme constituted as a trust which invests primarily in real estate with the aim to provide returns derived from rental income.

Securities and Futures Appeals Tribunal (SFAT)

A body established under the Securities and Futures Ordinance to review specified decisions made by the SFC, the HKMA or a recognised investor compensation company.

Securities and Futures Ordinance (SFO)

Together with subsidiary legislation, the law in Hong Kong relating to financial products, the securities and futures market and industry, as well as to their regulation and other matters including investor protection.

Task Force on Climate-related Financial Disclosures (TCFD)

A task force set up by the Financial Stability Board to improve and increase reporting of climate-related financial information.

Tokenisation

Tokenisation refers to the creation of blockchain-based tokens that represent, or aim to represent, ownership in certain assets or rights.

Unit trust

A collective investment scheme constituted in trust form.

Virtual assets

Digital representations of value, also known as cryptocurrencies, crypto-assets or digital tokens.

Voluntary code of conduct (VCoC) for ESG³ ratings and data products providers

A code of conduct developed via an industry-led working group for voluntary adoption by ESG ratings and data products providers, which will align with international best practices as recommended by IOSCO and relevant expectations introduced in other major jurisdictions.

Whitewash waiver

A waiver of a party's obligation to make a mandatory offer to other shareholders under the Takeovers Code.

³ Environmental, social and governance.