

# Operational Review



## Corporates

### IPO policy reform

To strengthen Hong Kong's position as an international financial centre and enhance the quality of our market, we work with The Stock Exchange of Hong Kong Limited (SEHK) to regularly review listing policies. In November, SEHK published a consultation paper on increasing the minimum profit requirement for new listings on the Main Board.

### Listing applications

Our oversight of listing matters includes vetting of listing applications. During the quarter, we vetted 34 new listing applications, including two from companies with a weighted voting rights structure and four from pre-profit biotech companies. Two companies achieved secondary listings on the Main Board under Chapter 19C of the Listing Rules<sup>1</sup>.

Exercising our powers under the Securities and Futures (Stock Market Listing) Rules, we issued one letter of concern and six requisition letters directly to listing applicants during the quarter. Amongst our concerns were the accuracy and completeness of the information submitted and the genuineness of the financial information in the prospectus.

### Corporate conduct

We conduct daily reviews of corporate announcements to identify potential misconduct and irregularities. During the quarter, we issued section 179<sup>2</sup> directions to gather additional information in 10 cases and wrote to detail our concerns in two transactions. These concerns included, for example, whether a corporate action or transaction is conducted in a manner which is oppressive or unfairly prejudicial to shareholders.

<sup>1</sup> Chapter 19C sets out the additional requirements, modifications or exceptions for companies that have, or are seeking, a secondary listing.

<sup>2</sup> Section 179 of the Securities and Futures Ordinance gives the SFC the power to compel the production of records and documents from persons related to a listed company.

## Corporates

### Takeovers matters

In October, we publicly censured and imposed a 24-month cold shoulder order against So Yuk Kwan for breaching the mandatory general offer obligation under the Takeovers Code which was triggered by the increase in the interests of So and his nominee in AV Concept Holdings Limited<sup>3</sup>.

We publicly censured and imposed an 18-month cold shoulder order on Ngai Lai Ha in November for breaching the mandatory general offer requirement under the Takeovers Code as a result of her purchases of the shares of International Housewares Retail Company Limited<sup>4</sup>.

### Listing applications and takeovers activities

	Quarter ended 31.12.2020	Nine months ended 31.12.2020	Nine months ended 31.12.2019	YoY change (%)
Listing applications	34	177	242	-26.9
Takeovers and share buy-backs transactions	122	347	192	80.7

<sup>3</sup> So was the chairman, executive director and chief executive officer of AV Concept Holdings Limited when the breaches took place.

<sup>4</sup> Ngai was the company's chairperson and executive director at the time.

# Intermediaries

## Licence applications

As at 31 December 2020, the number of licensees and registrants totalled 47,217, of which 3,122 were licensed corporations.

In the quarter, we received 1,333 licence applications<sup>1</sup> including 55 corporate applications.

## Competency framework

In December, we consulted the public on our proposed enhancements to the competency framework, including updating the entry requirements for licence applicants as well as the ongoing competency standards for individual practitioners.

Key proposals include raising the minimum academic qualification requirements, recognising a broader range of qualifications, allowing applicants more flexibility to meet the industry qualification and regulatory examination requirements and enhancing the continuous professional training requirements. To address our concerns about the quality of work performed by some financial advisers on matters regulated by the Codes on Takeovers and Mergers and Share Buy-backs, competence requirements would be upgraded for individuals who are to advise on these matters.

## New electronic licensing services

In December, we previewed new electronic licensing functions on our online submission platform, WINGS. The new online features include web-based licensing forms with auto-fill and skip logic features and pre-set validation rules to reduce errors as well as electronic signatures. These functions provide greater convenience for the industry, allow us to better integrate our front-loaded, risk-based approach into our licensing work and pave the way for a fully-digitalised licensing process which we plan to launch in mid-2021.

## Climate-related risks in funds

In October, we launched a consultation on proposed amendments to the Fund Manager Code of Conduct requiring fund managers to take climate-related risks into consideration in their investment and risk management processes and make appropriate disclosures to investors.

## Virtual asset trading platforms

In November, the Financial Services and the Treasury Bureau launched a public consultation proposing a new legislative framework under which we would regulate all centralised virtual asset (VA) exchanges, including those which only trade types of VAs which currently fall outside our jurisdiction.

Separately, we granted the first licence to a VA trading platform in Hong Kong, which will only serve professional investors.

## Anti-money laundering

In December, we issued a circular and held two webinars to share the findings of our inspections of anti-money laundering and counter-financing of terrorism (AML/CFT) controls and compliance practices. We highlighted several areas where firms should give priority, including the roles and responsibilities of their senior management in effectively managing AML/CFT risks and ensuring regulatory compliance. The webinars were attended by around 1,400 people from licensed corporations.

## Suitability obligations and requirements for complex products

In December, we issued a circular and updated two sets of frequently asked questions (FAQs) to provide guidance to the industry on how to conduct suitability assessments, explain product risks to clients with different degrees of financial sophistication and comply with paragraph 5.5 of the Code of Conduct<sup>2</sup>.

## External electronic data storage

We published FAQs in December to provide additional guidance on alternative means to satisfy the requirements of our October 2019 circular on the use of external electronic data storage. Corresponding changes to the FAQs on the premises for business and record keeping were also made.

<sup>1</sup> The figure does not include applications for provisional licences. See the table on licensing applications on page 7 for details.

<sup>2</sup> Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

## Intermediaries

### Licensees and registrants

	As at 31.12.2020	As at 31.3.2020	Change (%)	As at 31.12.2019	YoY change (%)
Licensed corporations	3,122	3,109	0.4	3,084	1.2
Registered institutions	112	112	0	114	-1.8
Licensed individuals	43,983	43,946	0.1	44,239	-0.6
<b>Total</b>	<b>47,217</b>	<b>47,167</b>	<b>0.1</b>	<b>47,437</b>	<b>-0.5</b>

### Licensing applications

	Quarter ended 31.12.2020	Nine months ended 31.12.2020	Nine months ended 31.12.2019	YoY change (%)
Applications to conduct new regulated activity	4,653	13,303	15,848	-16.1
Applications for SFC licences <sup>^</sup>	1,333	3,914	5,315	-26.4

<sup>^</sup> Figures do not include applications for provisional licences. During the quarter, we received 880 provisional licence applications compared with 788 in the same quarter last year.

### Intermediary inspections

	Quarter ended 31.12.2020	Quarter ended 30.9.2020	Change (%)	Quarter ended 31.12.2019	YoY change (%)
On-site inspections conducted <sup>^</sup>	74	80	-7.5	76	-2.6

<sup>^</sup> Including inspections conducted remotely in light of the COVID-19 pandemic.

# Products

## Authorisations

During the quarter ended 31 December, we authorised 51 unit trusts and mutual funds (including 23 Hong Kong-domiciled funds) and 18 unlisted structured investment products for public offering in Hong Kong.

## Wealth Management Connect

In January 2021, we entered into a memorandum of understanding (MoU) with the People's Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission (CSRC), State Administration of Foreign Exchange, Hong Kong Monetary Authority and the Monetary Authority of Macao on the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area. The MoU provides a framework for the exchange of supervisory information and enforcement cooperation as well as a liaison mechanism for investor protection issues.

## Mutual Recognition of Funds (MRF)

### Mainland China

Under the Mainland-Hong Kong MRF scheme, as of 31 December, we authorised a total of 50 Mainland funds (including two umbrella funds), and the CSRC approved 29 Hong Kong funds.

As of 31 December, the cumulative net subscription for Mainland funds was about RMB310.39 million and that for Hong Kong funds was about RMB14.42 billion. During the quarter, Mainland funds recorded a net redemption of about RMB123.19 million, compared to a net subscription of RMB103.21 million in the previous quarter. Hong Kong funds recorded a net redemption of about RMB168.27 million this quarter, down from RMB2.35 billion last quarter.

### Thailand

We entered into an MRF arrangement with the Securities and Exchange Commission of Thailand in January 2021. The arrangement will allow eligible Hong Kong and Thai public funds to be distributed in the other market

through a streamlined process. The approval process for local feeder funds investing in MRF-eligible master funds in the other market will also be expedited. We organised a webinar in early February 2021 to explain these initiatives to the industry.

## Real estate investment trusts (REITs)

In November, we released consultation conclusions on proposed amendments to the Code on Real Estate Investment Trusts to provide Hong Kong REITs with more flexibility in making investments. The amendments took effect on 4 December.

## Open-ended fund companies (OFCs)

In December, we released the conclusions to our consultation on proposed customer due diligence requirements for OFCs. The new requirements will enhance the anti-money laundering and counter-financing of terrorism measures in respect of OFCs and better align the requirements for different investment vehicles for funds in Hong Kong. Upon the completion of the legislative process, the new requirements will come into effect after a six-month transition period.

## Exchange-traded funds (ETFs)

To reduce the mispricing risk of ETFs, we worked with Hong Kong Exchanges and Clearing Limited (HKEX) to impose price limits on ETFs during the pre-opening session of their first trading day. The limits, which will restrict price swings to 15% in either direction, came into effect on 19 October.

In December, we and HKEX jointly published guidance to the ETF industry on some common issues concerning listing applications, procedures for publishing announcements as well as factors to consider when deciding on a suspension or resumption of either primary market dealing or secondary market trading. More than 100 industry participants attended a joint SFC-HKEX webinar which further explained the guidance.

## Products

### Pooled retirement funds (PRFs)

In December, we launched a three-month consultation on proposed amendments to the Code on Pooled Retirement Funds to strengthen investor protection in view of the wide participation in Hong Kong by employers and employees of occupational retirement schemes which invest in PRFs. Key proposals include clarifying the obligations of key operators and enhancing the requirements for fund operations and trustees' internal control reviews as well as introducing requirements for different types of investment portfolios.

### Electronic dissemination of investment product documents

Following the publication of a circular and frequently asked questions (FAQs) to facilitate the dissemination of post-sale investment product documents in electronic form, we published additional FAQs in October to provide further guidance to the industry.

### Authorised collective investment schemes

	As at 31.12.2020	As at 31.3.2020	Change (%)	As at 31.12.2019	YoY change (%)
Unit trusts and mutual funds – Hong Kong-domiciled	810	762	6.3	763	6.2
Unit trusts and mutual funds – non-Hong Kong-domiciled	1,384	1,373	0.8	1,402	-1.3
Investment-linked assurance schemes	300	299	0.3	299	0.3
Pooled retirement funds	33	33	0	33	0
Mandatory Provident Fund (MPF) schemes	27	29	-6.9	29	-6.9
MPF pooled investment funds	210	206	1.9	206	1.9
Others	25 <sup>a</sup>	26	-3.8	27	-7.4
<b>Total</b>	<b>2,789</b>	<b>2,728</b>	<b>2.2</b>	<b>2,759</b>	<b>1.1</b>

a Comprising 13 paper gold schemes and 12 REITs.

### Authorised unlisted structured investment products

	As at 31.12.2020	As at 31.3.2020	Change (%)	As at 31.12.2019	YoY change (%)
Unlisted structured investment products <sup>a</sup>	145	146	-0.7	148	-2

a On a "one product per key facts statement" basis, including equity-linked investments and deposits.

## Products

### SFC-authorized renminbi investment products

	As at 31.12.2020
<b>Unlisted products</b>	
Unlisted funds primarily investing in the onshore Mainland securities markets <sup>a</sup> or offshore renminbi bonds, fixed income instruments or other securities	52
Unlisted funds (non-renminbi denominated) with renminbi share classes	252
Paper gold schemes with renminbi features	1
Recognised Mainland funds under Mainland-Hong Kong MRF arrangement	50
Unlisted structured investment products issued in renminbi <sup>b</sup>	145
<b>Listed products</b>	
ETFs primarily investing in the onshore Mainland securities markets <sup>a</sup> or offshore renminbi bonds, fixed income instruments or other securities	35
ETFs (non-renminbi denominated) with renminbi trading counters	18
Renminbi leveraged and inverse products	2
Renminbi gold ETFs <sup>c</sup>	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 ETFs denominated in renminbi.

# Markets

## Supervision of HKEX

Following our approval, Hong Kong Exchanges and Clearing Limited (HKEX) rolled out enhancements to the Pre-Opening Session in its securities market which help improve price discovery and increase trading liquidity.

## Stock Connect expansion

On 27 November, HKEX, Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange jointly announced that more stocks would be eligible under Stock Connect. Shares of biotech companies listed under Chapter 18A of the Listing Rules were included for southbound trading in December and eligible A-shares listed on the SSE's Sci-Tech Innovation Board were included in northbound trading in February 2021.

## Investor identification

In December, we launched a consultation on proposals to introduce an investor identification regime at trading level for the securities market in Hong Kong. Under the regime, licensed corporations and registered institutions would submit to a data repository the names and identity document information of their clients who trade securities listed on the Stock Exchange of Hong Kong, allowing the SFC to identify investors who place securities orders.

A separate reporting regime, including clients' identity information, is proposed for over-the-counter securities

transactions. This will provide the SFC with a fuller picture of transactions involving Hong Kong securities.

## RTGS account for cash market clearing house

In response to a recommendation of the International Monetary Fund's Financial Sector Assessment Program, we worked together with the Hong Kong Monetary Authority (HKMA), Hong Kong Interbank Clearing Limited and HKEX to open a Hong Kong dollar real time gross settlement (RTGS) account with the HKMA for the cash market clearing house.

## Derivatives contracts

We approved the Hang Seng TECH Index futures and options contracts proposed by HKEX to meet the market's need for an exposure management tool covering the technology sector. The futures were launched in November, and the options in January 2021.

Separately, we also approved the launch of futures and options contracts for four stocks<sup>1</sup>.

## Automated trading services

As of 31 December, the number of automated trading services (ATS) providers<sup>2</sup> authorised under Part III of the Securities and Futures Ordinance (SFO) was 52, while 24 corporations, including 13 dark pool operators, were licensed under Part V of the SFO to provide ATS.

## ATS providers

	As at 31.12.2020	As at 31.3.2020	Change (%)	As at 31.12.2019	YoY change (%)
Under Part III	52	54	-3.7	51	2
Under Part V	24	25	-4	25	-4

1 Semiconductor Manufacturing International Corporation, Alibaba Health Information Technology Limited, Kingdee International Software Group Company Limited and Ping An Healthcare and Technology Company Limited.  
2 Under the SFO, two regimes regulate ATS providers. Typically, those that offer facilities similar to those of a traditional exchange or a clearing house are authorised under Part III of the SFO. Intermediaries which provide dealing services with ATS as an added facility are licensed under Part V of the SFO.

# Enforcement

## Market Misconduct Tribunal

During the quarter, the Market Misconduct Tribunal (MMT) found that the following individuals engaged in insider dealing.

- Cheng Chak Ngok, former executive director, chief financial officer and company secretary of ENN Energy Holdings Limited, engaged in insider dealing in the shares of China Gas Holdings Limited in 2011.
- Li Yik Shuen engaged in insider dealing in the shares of Meadville Holdings Limited in 2009.

In addition, the MMT found that CMBC Capital Holdings Limited and its six former directors<sup>1</sup> failed to disclose inside information as soon as reasonably practicable and imposed a 15-month disqualification order and a fine of \$1.2 million against the company's former chief executive officer and company secretary Philip Suen Yick Lun. The company's former chairman, Paul Suen Cho Hung, was fined \$900,000. The MMT also ordered the six former directors to attend an SFC-approved training programme on the corporate disclosure regime, directors' duties and corporate governance.

## Reprimanded and fined for internal control deficiencies

Company	Breaches	Fine
Goldman Sachs (Asia) L.L.C.	Serious lapses and deficiencies in its management supervisory, risk, compliance and anti-money laundering controls in 1Malaysia Development Berhad's bond offerings	US\$350 million (\$2.71 billion)
Fulbright Securities Limited	Internal control failures relating to the detection and prevention of short selling and for failing to report short selling incidents to the SFC in a timely manner	\$3.6 million
Credit Suisse Securities (Hong Kong) Limited	Regulatory breaches in respect of failures in its electronic trading systems	\$2.1 million

## Court proceedings

The Eastern Magistrates' Court convicted Chow Chiu Chi, company secretary of China Automation Group Limited, of insider dealing in the company's shares. Chow was sentenced to 45 days of imprisonment and fined \$45,000.

We commenced legal proceedings in the Court of First Instance to seek disqualification orders against Zhou Ling, former chairman and executive director of New Ray Medicine International Holding Limited, and Dai Haidong, the company's former chief executive officer and executive director, for allegedly committing corporate misconduct and breaching their duties to the company. We are also seeking a court order for Zhou to pay compensation to the company.

## Disciplinary actions

We disciplined three licensed corporations and three individuals during the quarter resulting in total fines<sup>2</sup> of approximately \$2.72 billion.

<sup>1</sup> Philip Suen Yick Lun, Paul Suen Cho Hung, Lau King Hang, Huang Zhencheng, Weng Yixiang and Wong Kwok Tai.

<sup>2</sup> Fines paid by intermediaries in disciplinary actions go into the general revenue of the Government.

## Enforcement

### Other regulatory breaches

Name	Breaches	Action
Pang Hon Pan	Breached staff trading policy and made a wilful misrepresentation to the Securities and Futures Appeals Tribunal	Banned from re-entering the industry for 21 months
Sandra Cheung Wing Yi	Maintained an external securities trading account and conducted personal trades in the account without approval by the firm	Suspended for 12 months
Chan Shun King	Conducted unauthorised transactions in client accounts	Banned from re-entering the industry for 24 months

### Restriction notice

During the quarter, we issued a restriction notice to CNI Securities Group Limited prohibiting it from dealing with or processing certain assets held in three client accounts which are related to suspected market manipulation. Our investigation is ongoing.

### Market surveillance

Our surveillance of untoward price and turnover movements resulted in 2,157 requests for trading and account records from intermediaries in the quarter.

We published three high shareholding concentration announcements to remind investors to exercise caution when trading shares in companies where a small number of shareholders hold a high concentration of shares.

### Enforcement cooperation with the CSRC

In December, we held the tenth high-level meeting on cross-boundary enforcement cooperation with the China Securities Regulatory Commission (CSRC) together with a four-party meeting with the Enforcement Bureau of the CSRC, the Commercial Crime Bureau of the Hong Kong Police Force and the Securities Crime Investigation Department of the Mainland Ministry of Public Security to discuss collaboration in combating cross-boundary securities crime. The four authorities exchanged views on cooperation mechanisms and their respective legal environments. The CSRC Investor Protection Bureau introduced the special representative litigation mechanism for securities disputes set out under the new Mainland Securities Law.

## Enforcement

### Enforcement activities

	Quarter ended 31.12.2020	Nine months ended 31.12.2020	Nine months ended 31.12.2019	YoY change (%)
S179 <sup>a</sup> inquiries commenced	13	29	26	11.5
S181 <sup>b</sup> inquiries commenced (number of letters sent)	58 (2,157)	191 (6,940)	186 (7,415)	-6.4
S182 <sup>c</sup> directions issued	54	140	151	-7.3
Investigations started	61	151	158	-4.4
Investigations completed	44	159	145	9.7
Individuals and corporations charged in criminal proceedings	1	9	5	80
Criminal charges laid	1	12	8	50
Notices of Proposed Disciplinary Action <sup>d</sup> issued	5	18	26	-30.8
Notices of Decision <sup>e</sup> issued	7	26	37	-29.7
Individuals and corporations subject to ongoing civil proceedings <sup>f</sup>	161	161	158	1.9
Compliance advice letters issued	73	182	178	2.2
Cases with search warrants executed	10	14	14	0

a 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.

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

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

d 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.

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

f As of the last day of the reporting period.

# Regulatory engagement

## IOSCO

We are actively involved in international policy making. Mr Ashley Alder, the SFC's Chief Executive Officer (CEO), chairs the Board of the International Organization of Securities Commissions (IOSCO). IOSCO's Annual Meeting, held virtually in November, focussed on sustainable finance and issues arising from COVID-19 as well as emerging regulatory developments related to IOSCO's priorities for the year.

We participate in the IOSCO Financial Stability Engagement Group to coordinate IOSCO's engagement with the Financial Stability Board (FSB) when addressing financial market vulnerabilities arising in connection with the COVID-19 pandemic.

We participate in all eight IOSCO policy committees as well as the Committee on Emerging Risks, Assessment Committee and the Asia-Pacific Regional Committee (APRC). We lead the APRC's working group on sustainable finance to facilitate capacity building and enhance the regulation of ESG<sup>1</sup> and climate-related disclosures in the region. Mr Tim Lui, the SFC's Chairman, and Ms Julia Leung, our Deputy CEO and Executive Director, Intermediaries, participated in an APRC meeting in November.

Ms Leung co-leads IOSCO's Task Force on Sustainable Finance and a workstream on sustainability and asset management. We are also a member of the Retail Market Conduct Task Force and the Follow-Up Group on market fragmentation, whose current focus is to deepen regulatory and supervisory cooperation.

Mr Alder co-chairs the CPMI-IOSCO<sup>2</sup>-Steering Group to coordinate policy work for the supervision of central counterparties and other financial market infrastructure.

## Financial Stability Board

In his role as the IOSCO Board Chair, Mr Alder participated in virtual FSB meetings, including of the Steering Committee, Plenary, Standing Committee on Supervisory and Regulatory Cooperation and the Steering Committee Group on Non-bank Financial Intermediation.

We are also actively involved in the work of the FSB Standing Committee on Standards Implementation.

## Mainland China

In December, we held the eighth high-level meeting with the China Securities Regulatory Commission in a virtual format to discuss cross-boundary regulatory cooperation and market development initiatives, including the expansion of eligible securities under Stock Connect<sup>3</sup> and enhancements to the ETF<sup>4</sup> cross-listing and MRF schemes.

During the quarter, we worked closely with the Mainland authorities to implement a number of initiatives set out in the Greater Bay Area development plan. These included preparations for launching the Wealth Management Connect scheme and facilitating Hong Kong financial institutions' business operations in the Greater Bay Area.

## Green and sustainable finance

In October, we published a consultation paper<sup>5</sup> on proposed requirements for fund managers to consider climate-related risks in their investment and risk management processes and make appropriate disclosures.

<sup>1</sup> Environmental, social and governance.

<sup>2</sup> Committee on Payments and Market Infrastructures.

<sup>3</sup> These include stocks listed on the Shanghai Stock Exchange STAR Market and Hong Kong-listed pre-revenue biotech stocks.

<sup>4</sup> Exchange-traded fund.

<sup>5</sup> See Intermediaries on pages 6-7.

## Regulatory engagement

We collaborate with other members<sup>6</sup> of the Green and Sustainable Finance Cross-Agency Steering Group and stakeholders to advance the development of green and sustainable finance in Hong Kong. In November, we hosted a steering group meeting co-chaired by Mr Alder and Mr Eddie Yue of the Hong Kong Monetary Authority (HKMA). In December, the steering group jointly released a strategic plan with near-term action points to strengthen Hong Kong's financial ecosystem.

Ms Julia Leung chairs the Climate Change Technical Expert Group which provides technical views and helps formulate our regulatory policies to manage climate risks and offer practical guidance to the asset management industry.

In December, the HKMA and the SFC became members of the European Commission's (EC) International Platform on Sustainable Finance (IPSF) which encourages private capital to make environmentally sustainable investments. We actively participate in the Network of Central Banks and Supervisors for Greening the Financial System and the United Nations Sustainable Stock Exchanges Initiative Advisory Group.

## Other regulatory engagement

During the quarter, Mr Alder engaged with industry associations to discuss the regulatory response to COVID-19 and market stress<sup>7</sup>. We held virtual meetings and calls to discuss emerging regulatory developments with the EC, Australian Securities and Investments Commission, New Zealand Financial Markets Authority, Monetary Authority of Singapore, US Securities and Exchange Commission and the Commodity Futures Trading Commission, Autorité des marchés financiers of France, UK Financial Conduct Authority and the Japan Financial Services Agency.

In November, we held our 12th Bilateral Regulatory Meeting with the Taiwan Financial Supervisory Commission via video conference to exchange views on the use of regulatory technology as well as COVID-19 challenges and regulatory responses.

<sup>6</sup> These include the Financial Services and the Treasury Bureau, Environment Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority and the Mandatory Provident Fund Schemes Authority.

<sup>7</sup> Including the Securities Industry and Financial Markets Association, Investment Company Institute, Official Monetary and Financial Institutions Forum and the Asian Corporate Governance Association.

# Stakeholders

We engage with stakeholders to help them understand our work and provide them with up-to-date regulatory information.

In October, we hosted the SFC Compliance Forum as a one-day virtual event for industry participants where we discussed the risks and opportunities facing the securities industry and capital markets, the management of liquidity, prudential and market risks and the latest developments in sustainable finance as well as private wealth management and family offices.

At November's virtual Hong Kong FinTech Week, which we co-organised, our senior management spoke about our regulatory approach to virtual assets and elaborated on the Government's legislative proposal to regulate all centralised virtual asset exchanges. Also in November, our Chief Executive Officer Mr Ashley Alder delivered a keynote speech and participated in a panel discussion at the Hong Kong Green Finance Association Annual Forum.

We organised three virtual workshops in November and December to introduce the new electronic licensing functions on our online submission platform, WINGS<sup>1</sup>. The webinars were attended by over 1,000 participants from licensed corporations, banks, compliance advisory firms and law firms.

During the quarter, we supported four industry events and our senior executives participated in 32 local and international webinars and virtual meetings. We also held meetings with industry associations to understand their views on regulatory issues. In December, we gave a presentation at a Hong Kong Institute of Certified Public Accountants webinar on regulatory issues including the implications for family offices of our licensing regime.

In December, we released an issue of the Takeovers Bulletin which highlighted the need to conduct sufficient due diligence to identify all the regulatory approvals necessary for offers to be completed.

We also issued 21 circulars providing guidance on a variety of matters including SFC-authorized real estate investment trusts, over-the-counter derivatives reporting, and the findings of our inspections of firms' anti-money laundering and counter-financing of terrorism measures.

In October, we introduced a redesigned corporate website which provides an improved user experience in terms of navigation, functionality and information search.

## Publications and other communication

	Quarter ended 31.12.2020	Nine months ended 31.12.2020	Nine months ended 31.12.2019	YoY change (%)
Press releases	35	99	97	2.1
Policy statements and announcements	1	8	6	33.3
Consultation papers	4	7	3	133.3
Consultation conclusions	2	6	4	50
Industry-related publications	1	8	10	-20
Codes and guidelines <sup>a</sup>	2	6	5	20
Circulars to industry	21	53	54	-1.9
Corporate website average daily page views <sup>b</sup>	28,028	36,298	46,635	-22.2
General enquiries	1,745	5,334	4,753	12.2

a Includes updates to previous versions.

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

<sup>1</sup> See Intermediaries on pages 6-7.