



Progress of the SFC's new approach to regulation HKSI Institute Roundtable Luncheon

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Today I will discuss key risks and opportunities in our markets and how the Securities and Futures Commission (SFC) is dealing with them. I will also talk about some crucial market development initiatives which I believe are at the heart of Hong Kong's bright future as an international financial centre.

This market development angle usually does not get much media attention as it is not as exciting as the large investigations and scandals which the media likes to cover. But market development cannot progress in the long term unless our markets are fair and clean. Both

With these goals in mind, we have set out a clear strategy for the SFC's new approach to regulation. This strategy is based on the SFC's core values of integrity, transparency, and accountability. It is also based on the SFC's commitment to the public good and to the financial stability of Hong Kong. The SFC's new approach to regulation is a comprehensive and integrated approach that covers all aspects of the SFC's work, from the SFC's regulatory framework to the SFC's enforcement and dispute resolution. The SFC's new approach to regulation is a comprehensive and integrated approach that covers all aspects of the SFC's work, from the SFC's regulatory framework to the SFC's enforcement and dispute resolution.



Our response to this and other issues was more targeted gatekeeping at the listing stage and after.

Where we suspected that listing applicants were in fact being set up to be shells, or were reporting seriously inflated sales figures, we brought our SMLR powers to bear to ask very searching questions. This usually led to the withdrawal of the application.

Where we suspected that public shareholding floats or voting power was being rigged, usually through the warehousing of shares, or that information given to the market by a company was deficient, in





The overarching theme is that Hong Kong can enhance its current position to move up the value chain as it plays an even more important role to enable Mainland savers to access the world and international investors to access China.

But we also need to recognise that it is more important than ever that investors have confidence that our markets are fair and regulation is resolute and impartial. Our goal at the SFC is to pursue a world-class regulatory environment to secure the future.

Thank you.