





Some Observations

The MMOU has been in existence for 12 years and the bulk of its worth has been realized since 2008. This experience identifies some trends and permits some observations:

US and Hong Kong have moved away from a net balance of requests for assistance
- to a steady state in which Hong Kong receives more requests from US authorities than it sends. In other words, Hong Kong has become a net exporter of forensic evidence to the US, reflecting perhaps volumes of business in the US with a Hong Kong source or connection or an increased inquisitiveness on the part of US authorities in this part of the world.

overall, the volume of exchanges with the UK has reduced and the new steady state is,

those with the rest of Europe or North America or Asia.

the volume of requests to and from Hong Kong but within Asia has increased dramatically as a percentage of total requests involving Hong Kong whilst the overall global numbers have increased as well. This appears to reflect a growing connectivity within Asia, especially between Hong Kong and Singapore, Japan, Malaysia, Australia and South Korea.

the volume of information exchanges within Asia *in toto* are substantially greater than those between Asia and Europe including London a position that I do not think existed a few years ago reflecting the previous trend in a different way.

These MMOU numbers, of course, do not reflect our own exchanges with mainland China. These exchanges are governed by a different, bi-lateral arrangement. These numbers have also shot up over the last few years but they remain, for fairly obvious reasons, one directional: Hong Kong is a net requester of assistance and so a net importer of evidence from the Mainland, by some way. I will return to sharing information with our Mainland counterparts in a moment.

Another New Black

Regulators can be a little like magnets with north and south poles that repel or attract. The enforcement arms of regulators tend to be the bits that attract most readily and so the MMOU



obligations for unilateral sharing of alerts about potential or suspected wrongdoing in either the Hong Kong or Shanghai stock markets;

a mechanism for joint investigations to avoid duplicated work and maximum efficiency; and

complementary enforcement action:

- where there is wrongdoing in both jurisdictions (avoiding double jeopardy and abuse of process risks); and

- to protect the investing public of both the Mainland and Hong Kong, including actions that may be necessary to provide financial redress or compensation to affected investors.



restitutionary relief for thousands of victims on top of separate proceedings in which we are seeing sanctions against the alleged wrongdoers themselves. In essence, we are using combination of deterrent sanctions and the spectrum of equitable remedies to provide equity in our market.

On that note, I hope I have set the scene for our panel discussion.

Thank you.