

3 October 2024 (Thursday)

**Securities and Futures Commission
35th Anniversary Cocktail**

Speech by the Chief Executive

Deputy Director Yin Zonghua (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region), Deputy Commissioner Li Yongsheng (Deputy Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region), Chairman Tim Lui (Chairman of the Securities and Futures Commission), CEO Julia Leung (CEO of the Securities and Futures Commission), Board Members of the Securities and Futures Commission, distinguished guests, ladies and gentlemen,

Good afternoon. I am delighted to join you today in celebration of the 35th anniversary of the Securities and Futures Commission.

2. This year marks the 75th anniversary of the founding of the People's Republic of China. Over the past three-quarters of a century, our country has achieved a tremendous transformation. It is now the world's second-largest economy, as well as its largest manufacturer, merchandise trader, and holder of foreign exchange reserves.

3. As a special administrative region of the People's Republic of China, Hong Kong shares the joy and pride of the country's achievements. We endeavour to better contribute to our country's development, by leveraging our unique advantages as an international financial, shipping and trade centre.

4. Just last week, we noted, with joy, some encouraging news on the financial front. In the latest Global Financial Centres Index, Hong Kong's ranking rose from fourth to third place. We ranked first in the Asia-Pacific region. It pleased me to know that Hong Kong's overall Index rating jumped eight points – the largest improvement among the world's top five financial centres.

5. Hong Kong's scores were among the top in a wide range of areas, from "business environment" and "human capital", to "infrastructure" and "investment management". The outstanding achievement is testament to the laudable work of the SFC and our other world-class regulators – alongside, of course, the entire financial services sector.

6. Yes, Hong Kong's success as an international financial centre has been built on its dynamic regulatory environment, one aligned with global best practices.

7. And the SFC has been central to our regulatory system since its establishment in 1989. It has, I'm pleased to say, upheld the integrity and transparency of our securities and futures markets, while protecting the investing public.

8. That can be a complicated and demanding task, especially given the evolving markets and ever-changing technology.

9. Nevertheless, the SFC has emerged as a global leader and standard-setter in financial regulation over the decades. That's certainly evidenced by its leadership in various committees of the International Organization of Securities Commissions and the Financial Stability Board.

10. The international monetary authority has long acknowledged Hong Kong's status as a major international financial centre with robust institutional frameworks and high-quality financial sector regulation. The IMF (International Monetary Fund) has, let me add, consistently confirmed the SFC's regulatory framework as aligned with best international standards.

11. To keep pace, the SFC continues to elevate the risk management capabilities of market infrastructure and intermediaries. It addresses emerging risks in a timely manner, while effectively conducting investigations, and enforcement, of market misconduct.

12. Building on its strong foundation, the SFC closely collaborates with local, Mainland and international regulatory counterparts to combat multi-jurisdictional market misconduct.

13. The SFC also plays an instrumental role in enhancing the quality and liquidity of our equity market, while diversifying capital and listings' sources.

14. We have some 2,600 companies listed on our stock exchange today. The Hong Kong SAR Government is committed to working with the SFC, as well as other stakeholders in the industry, to foster closer ties with Mainland and overseas counterparts and, in turn, expanding the depth and breadth of our financial markets. To consolidate our status as an international financial centre.

15. And that, ladies and gentlemen, is achievable thanks to "one country, two systems", a unique principle that allows Hong Kong to prosper as the only

world city that connects both the China advantage and the global advantage.

16. A shining example is the Mainland-Hong Kong Stock Connect, the landmark mutual market access scheme that connects the stock markets of Hong Kong and the Mainland.

17. For example, Shanghai-Hong Kong Stock Connect's average daily southbound turnover has surged – from less than HK\$1 billion, when it was launched in 2014, to over HK\$16 billion last year – that's more than 16 times.

18. As of August, cumulative southbound net inflows of the Mainland-Hong Kong Stock Connect had reached more than HK\$3.3 trillion.

19. And Hong Kong continues to tap into opportunities in new and emerging markets. One good example is our work in boosting ties with economies in the Middle East, a key region under our country's Belt and Road Initiative.

20. Asia's first exchange-traded fund (ETF) tracking the Saudi Arabia market was listed in Hong Kong last November. It enables local and global investors to invest in the Saudi stock market through Hong Kong.

21. And, just a few weeks ago, Saudi Arabia gave its approval for the first ETF investing in Hong Kong equities to be listed on its stock exchange. This smart ETF co-operation will bring larger, long-term mutual benefit to both markets, of that I am very confident.

22. Safeguarding the investing public is important in ensuring the stability of our financial system.

23. The SFC's zero-tolerance approach to market misconduct, as well as its comprehensive enforcement against wrong-doing, protects investors and minority shareholders, ensuring healthy market development.

24. I am also pleased to note that the SFC has taken a more proactive approach in alerting the investing public of investment scam risks.

25. Then there's the Investor and Financial Education Council, set up under the SFC to give the Hong Kong public the necessary knowledge and skills to make informed investment and financial decisions.

26. Over the years, the Council has developed numerous programmes to expand investor and financial education, raising Hong Kong's financial literacy and boosting financial resilience.

27. Ladies and gentlemen, the SFC has long progressed with the Hong Kong community in managing the complexities of our ever-evolving financial markets. In doing so, it has immeasurably aided our continuing success as an international financial centre.

28. It is a job well done. My warmest congratulations to the Securities and Futures Commission, and each and every one of you involved in its essential work. The Government will continue to support the SFC's work in promoting our financial sector, its wide-ranging prospects and boundless promise in the years to come.

29. Speaking of support, allow me to thank Mr Tim Lui, the SFC's Chairman over the past six years. Under his commendable guidance, the SFC has continued to safeguard the stability and soundness of Hong Kong's securities and futures markets. And that has benefitted both investors and the industry as a whole. Thank you, Tim!

30. Ladies and gentlemen, I wish you all an enjoyable anniversary evening and the best of business, and health, in the many years to come.

31. Thank you.