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# REGULATORY NEWSLETTER

2020 Vol.3



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## REGULATORY UPDATES

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### **Circular to Licensed Corporations Engaged in Asset and Wealth Management Activities - Asset and Wealth Management Activities Survey 2019**

27 Feb 2020

As an annual exercise to collect information on asset and wealth management activities in Hong Kong for regulatory and market facilitation purposes and to develop a better understanding of the state of the asset and wealth management industry in Hong Kong, the SFC has now commenced the Asset and Wealth Management Activities Survey 2019 (the "AWMAS").

Considering the latest situation of the novel coronavirus, the SFC has extended the response period for completing the questionnaire through the online submission system until 29 April 2020.

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## **Circular to Licensed Corporations in relation to list of prescribed persons who have reached the clearing threshold under the clearing and record keeping rules for the OTC derivatives regime**

28 Feb 2020

An updated list of prescribed persons who have reached the clearing threshold under the Securities and Futures (OTC Derivative Transactions - Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules has been posted on the website of the Securities and Futures Commission (SFC) on 28 Feb 2020.

The list is available at:

<https://www.sfc.hk/web/EN/rules-and-standards/otc-derivatives-regulatory-regime/>

The list is compiled based on information currently available to the Hong Kong Monetary Authority (**HKMA**) and/or the SFC. Please refer to the disclaimer set out in the aforesaid list.

The list may be updated from time to time by the HKMA and the SFC as appropriate and relevant.

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## **ENFORCEMENT NEWS**

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### **SFC bans Christopher Tse for 12 months**

The SFC has banned Mr Christopher Tse, a former research analyst at RHB Securities Hong Kong Limited (RHBSHK), from re-entering the industry for 12 months from 31 January 2020 to 30 January 2021.

The SFC investigation found that Tse conducted trades through his father's securities trading account held at another brokerage between August 2013 and October 2015 without informing his then employer, RHBSHK, and traded in a stock on RHBSHK's restricted list on two occasions.

By doing so, Tse has seriously compromised his role as a research analyst and called into question the objectivity of the research reports he prepared. As such, the SFC is of

### **SFC reprimands and fines Capital Global Management Limited \$1.5 million**

The SFC has reprimanded and fined Capital Global Management Limited (CGML) \$1.5 million for its failures to ensure compliance with applicable laws and regulations in distributing investment funds and offering investment advice in Taiwan, and to adequately supervise the business activities of its representatives to ensure such compliance.

The SFC's investigation found that CGML's licensed representatives operated and performed sales functions and distributed investment products to clients in Taiwan between July 2014 and April 2015.

CGML's failures to ensure compliance with applicable laws and regulations in Taiwan and to adequately

the view that he is not a fit and proper person to be licensed.

supervise its representatives have raised the SFC's concern over its fitness and properness as a licensed corporation.

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