
REGULATORY NEWSLETTER

2020 Vol.9



REGULATORY UPDATES

SFC statement on sanctions imposed by the US government

8 August 2020

On 7 August 2020, the US government announced the imposition of sanctions against individuals in Hong Kong and Mainland China. The SFC is monitoring closely the impact that the sanctions may have on the operation of intermediaries, the interests of investors and financial stability and orderliness of the markets in Hong Kong.

In considering the implications of the sanctions, intermediaries are expected to carefully assess any legal, business and commercial risks that they may be exposed to. We would expect any response to the sanctions to be necessary, fair, and have regard to the best interests of their clients and the integrity of the market.

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Hong Kong-Mainland ETF cross-listing approved

28 August 2020

The SFC authorized two exchange-traded funds (ETFs) to be listed on the Stock Exchange of Hong Kong (SEHK) under a scheme which will facilitate cross-listing of ETFs between markets in Hong Kong and the Mainland.

The two ETFs will each invest in an ETF approved by the China Securities Regulatory Commission (CSRC) and currently listed on the Shenzhen Stock Exchange (SZSE).

The SFC also welcomes the CSRC's approval today of two ETFs to be listed on SZSE under the same scheme. They will each invest in an SFC-authorized ETF currently listed on SEHK.

The scheme is a testament to the deepening of cooperation between the Mainland and Hong Kong capital markets, and will provide Hong Kong and Mainland investors with more investment opportunities and product choices through access to each other's market.

These ETFs will be listed on their respective markets under existing listing procedures.

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ENFORCEMENT NEWS

Statement on Next Digital Limited

The SFC issued a statement in response to a large volume of enquiries it has received and the overall level of public interest in relation to the significant recent increases in the price and turnover in the shares of Next Digital Limited.

In view of these exceptional increases, investors are strongly advised to exercise extreme caution when dealing in the shares of Next Digital Limited.

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SFC bans Masy Lo Mee Chi for eight Months

The SFC has banned Ms Masy Lo Mee Chi, a former client advisor of UBS AG Hong Kong Branch (UBS), for eight months from August 2020 to April 2021.

Ms Masy Lo attempted to mislead the trustee into believing that the Settlor had signed an amended request letter while purchasing a fund for the trust account.

The SFC considers Lo's conduct was dishonest and calls into question her fitness and properness to be a licensed person.

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