



Developing Financial Markets in Changing Times

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Note: This is the text of the speech as drafted, which may differ from the delivered version.

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concentration of positions in OTC derivatives. The Hong Kong Investor Identification Regime now provides us with real-time investor identity information behind each trade. This facilitates our enforcement action by helping us spot irregularities and deters misconduct.

The SFC also supervises Hong Kong Exchanges and Clearing Limited. Our top priority is to ensure its risk management can withstand extreme market shocks. We also closely supervise licensed brokers' risk management and prevent over-leverage. We monitor their margin lending risks and stress-test their capital adequacy. And for SFC-authorized funds, we monitor their liquidity especially during market volatility and stay in touch with major fund managers. These efforts can help protect the markets against unforeseen instability.

Fourthly, promoting market efficiency is another key focus for the SFC, and we believe technology and digitalisation are instrumental. One of our main objectives in launching the new licensing regime for virtual asset trading platforms is to promote innovation and technology and help develop Hong Kong into a Fintech hub. Technology should help deliver efficiency gains by streamlining processes and the settlement cycle for investment products.

The SFC! Tm F