Speech at 7th Pan Asian Regulatory Summit

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9 November 2016

A special thank you to Thomson Reuters for inviting me to speak at this conference. I am very happy to be here.

A few months ago, my family arrived at this fantastic new city and I started this challenging new role as the head of the Enforcement Division of the Securities and Futures Commission (SFC).

I was fairly tied in with the international regulatory community in my previous roles in Canada, where the SFC is seen as a very sophisticated regulator. As you can see from

voice internationally.

I was well aware of the world- Enforcement Division before my arrival. It is well known globally for its strong enforcement approach and for putting investor protection at the top of its priorities. Upon my arrival, I wa
capabilities are reflective of, and even exceed, its reputation. It is staffed by diligent professionals with a strong focus on investor protection and maintenance of fair and efficient markets.

As some of you may have noted, Hong Kong received the top ranking for regulatory enforcement in the 2016 CG Watch survey[1]. I am glad to take credit for an excellent ranking, but the truth is, all rankings of this type invariably depend in part on the number, and not necessarily the quality, of the cases we have done. What I really want our Enforcement Division to do is to focus on quality over quantity.

Ever since my appointment, I have been considering how the Enforcement Division can further contribute to the healthy development of this large, vibrant and complicated securities market closely linked to mainland China as well as other parts of the world.

We realised the need to re-assess our enforcement focus, our organisation structure and our enforcement tools. Against this background, we carried out a comprehensive and structured strategic review of the entire Enforcement Division over the past few months.

We established a number of teams to carry out the strategic review. One team collaborated with other SFC divisions to identify the key areas of concern that should rank high in our enforcement priorities. Another focused on enforcement processes and tools looking for ways to maximise speed and effectiveness. A third team carried out a comprehensive review of our surveillance capabilities against the latest developments around the world. We had

[1] Published by CLSA and the Asian Corporate Governance Association

two other teams that focused on enhancing collaboration with other regulators in Hong Kong and in mainland China respectively.

Focus on key

Also in 2013, we obtained interim injunctions to freeze assets of Qunxing Paper Holdings

currently continuing with proceedings against Qunxing to appoint interim receivers and managers.

Prioritisation and enhancing efficiency

Enforcement cases have been increasing rapidly at the rate of 20% per year and are generally increasing in complexity. We could try to double our staff every five years to cope with this trend, but even if we do this, we would still be treading water. We clearly need to re-think how we perform our work. We need to move from a try-to-do-everything approach to a focused approach, targeting the key risk areas.

Under the SFO, we are required to make efficient use of our resources when pursuing our

Collaboration with Mainland and Hong Kong regulators