

# A Quick Guide to Hong Kong's Financial System and Services



**來跟錢家學理財！**

**Learn Financial Management  
with The Chin Family!**



## About the Investor and Financial Education Council

The Investor and Financial Education Council (IFEC) is an independent public organisation and a subsidiary of the Securities and Futures Commission (SFC), dedicated to improving investor and financial education in the Hong Kong Special Administrative Region (HKSAR). The IFEC is supported by the four financial regulators, namely the Hong Kong Monetary Authority (HKMA), Insurance Authority (IA), Mandatory Provident Fund Schemes Authority (MPFA) and SFC, as well as the Education Bureau. The IFEC promotes and delivers free and impartial investor and financial education resources and programmes through its consumer education platform, The Chin Family, and leads the Financial Literacy Strategy to facilitate stakeholders to deliver more quality investor and financial education to the Hong Kong public.

Did you know that Hong Kong's financial system is one of the most dynamic and international in the world? This guide will give you an overview of Hong Kong's financial system and services.

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# Tapping into Hong Kong's Unique Position as an International Financial Centre

As one of the world's international financial centres (IFCs), have you ever wondered what makes Hong Kong so unique?



"One Country, Two Systems", which underpins our position as the premier gateway between the Mainland and the rest of the world



Rule of law and an independent judiciary



Government support for the financial sector



Business-enabling environment that is characterised by a highly open and internationalised market and level playing field



Linked Exchange Rate System that provides currency stability for businesses and investors

Find out what makes it stand out!



Free flow of capital and information



Low and simple tax regime



High-quality professional services, including legal, accounting and consultancy services



Pool of well-educated, highly-efficient and globally-connected workforce



Well-developed financial market that is characterised by deep liquidity, a robust and internationally aligned regulatory regime, and diverse financial products and services



# Navigating the Financial Regulatory System

Are you curious about how Hong Kong's financial market operates and how you can manage your money effectively and confidently here?

As an IFC, Hong Kong offers a sound regulatory framework and a range of safeguards for financial consumers.

The Financial Services and the Treasury Bureau of the Hong Kong Special Administrative Region Government works closely with market regulators and participants to strengthen Hong Kong's role as an IFC, asset and wealth management centre, risk management centre and offshore renminbi (RMB) business centre.

The four financial regulators are the Hong Kong Monetary Authority (HKMA), the Insurance Authority (IA), the Mandatory Provident Fund Schemes Authority (MPFA) and the Securities and Futures Commission (SFC). They oversee the banking, insurance, the Mandatory Provident Fund (MPF) as well as securities and futures industries respectively, and help maintain Hong Kong's financial stability.

As part of Hong Kong's overall regulatory infrastructure for the financial services industry, the Investor and Financial Education Council's role in investor and financial education is complementary to the work of the regulators.



HONG KONG MONETARY AUTHORITY

香港金融管理局

## Hong Kong Monetary Authority

The HKMA was established in 1993 by merging the Office of the Exchange Fund and the Office of the Commissioner of Banking. Its main functions and responsibilities are governed by the Exchange Fund Ordinance and the Banking Ordinance and it reports to the Financial Secretary.

The HKMA is the government authority in Hong Kong responsible for maintaining monetary and banking stability. It has four main functions: maintaining currency stability within the framework of the Linked Exchange Rate System; promoting the stability and integrity of the financial system, including the banking system; helping to maintain Hong Kong's status as an international financial centre, including the maintenance and development of Hong Kong's financial infrastructure; and managing the Exchange Fund.

### Regulation of Financial Markets, Products and Intermediaries in Hong Kong

- 1 Authorises licensed banks, restricted licence banks and deposit-taking companies in Hong Kong (collectively known as authorised institutions), as well as regulates and supervises banking business, the business of taking deposits and any other business carried on by authorised institutions;
- 2 Regulates and supervises Stored Value Facilities (SVFs) such as e-wallets and prepaid cards, and implements the designation and oversight of Retail Payment Systems (RPSs) in Hong Kong;
- 3 Works closely with SFC, IA and MPFA concerning the regulation of banks' sale of investment, insurance and MPF products to customers;
- 4 Approves money brokers and supervises money broking activities carried on by approved money brokers.



## Insurance Authority



Established in December 2015, the IA is an independent statutory body with principle functions to regulate and supervise the Hong Kong insurance industry for the interests of existing and potential policyholders and the sustainable market development of the insurance industry. Empowered by the Insurance Ordinance (Cap. 41), the IA took over the regulation of insurance companies from the then Office of the Commissioner of Insurance, a Government department, on 26 June 2017. It then took over the regulation of insurance intermediaries from the three Self-Regulatory Organisations on 23 September 2019 through a statutory licensing regime.

### Regulation of Financial Markets, Products and Intermediaries in Hong Kong

- 1 Authorises, supervises and regulates insurance companies;
- 2 Licenses, supervises and regulates all insurance intermediaries.



## Mandatory Provident Fund Schemes Authority



The MPFA is a statutory body set up in 1998 under the Mandatory Provident Fund Schemes Ordinance to assist Hong Kong's workforce to accumulate savings for their retirement, through regulating and supervising privately managed MPF schemes and overseeing the operation of occupational retirement (ORSO) schemes.

### Regulation of Financial Markets, Products and Intermediaries in Hong Kong

- 1 Regulates and supervises MPF schemes trustees;
- 2 Acts as the Registrar of ORSO schemes;
- 3 Registers MPF intermediaries who engage in MPF sales and marketing activities.



## Securities and Futures Commission



Established in 1989, the SFC is an independent statutory body set up to regulate the securities and futures markets. With its powers derived from the Securities and Futures Ordinance and a subsidiary legislation, it maintains and promotes the fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry, and offers protection and education to the public investing in financial products. Its investor education mandate has been transferred to the Investor and Financial Education Council.

### Regulation of Financial Markets, Products and Intermediaries in Hong Kong

- 1 Sets and enforces market regulations, including investigating breaches of rules and market misconduct;
- 2 Licenses and supervises intermediaries eg brokers, investment advisers and fund houses that conduct activities under the SFC's regulatory responsibility;
- 3 Supervises market operators, including exchanges, clearing houses, share registrars and alternative trading platforms, and helps to enhance market infrastructure;
- 4 Authorises investment products and offering documents prior to their distribution to retail investors;
- 5 Exercises oversight of regulations governing takeovers and mergers of public companies and of The Stock Exchange of Hong Kong Limited's regulation of listing matters.



# Exploring Markets and Products

Want to know more about the financial landscape in Hong Kong, including the institutions that offer a range of banking, investment and insurance products, as well as payment services?

## Overview of Hong Kong's Financial Sector

As an IFC, Hong Kong has a mature and active financial market with a large number of financial institutions offering a full spectrum of financial products and services to local and international investors.

### Banking

There are over 150 licensed banks in Hong Kong, with over 70 of the world's top 100 banks having a presence in Hong Kong. Banks act as intermediaries in the financial system, providing a wide range of services such as deposit taking, lending, investment and insurance. There are also SVF licensees that provide payment services.

### Investment, Asset and Wealth Management

In addition, there are thousands of licensed entities, including securities brokers, futures dealers, investment advisers and fund managers, etc, providing various types of investment services.

Hong Kong's stock market is one of the largest in the world in terms of market capitalisation. A wide variety of products are traded on the stock market, ranging from shares to options, warrants, Exchange-Traded Funds (ETFs), Real Estate Investment Trusts (REITs), etc.

As one of the largest asset and wealth management centres in the world, Hong Kong continues to attract international investors to use it as a platform for investing in the region and also to enable local investors to invest overseas. There are over 2,000 authorised funds in Hong Kong, providing investors with a wide range of choices.

### Insurance

On the insurance side, Hong Kong ranks first and second in terms of insurance density and penetration respectively<sup>1</sup>. Seven of the top ten insurers in the world are authorised to conduct business in Hong Kong. There are over 160 insurance companies in Hong Kong, offering a wide range of life and general insurance products.

<sup>1</sup> Swiss Re Institute sigma No 3/2023

## Financial Products and Services

### Key Points to Note



#### BANKING

Consumers can open accounts to handle payments, receive interest and conduct investments. They can also apply for credit cards and take out loans from banks.

- 1 Pay attention to fees and charges.
- 2 Borrow only if you can repay. Stay on track with your credit commitments.



#### STORED VALUE FACILITIES (SVFs)

Common examples of SVFs include e-wallets and prepaid cards. Consumers have to store money into their SVF accounts in advance and can then use the value so stored in making payments for goods and services and/or to another person (i.e. Person-to-Person payments).

- 1 Keep your SVFs and passwords safe, and protect your sensitive information.
- 2 Check the transaction records regularly to see whether there are unauthorised transactions.
- 3 Pay attention to fees and charges.



#### INSURANCE

A comprehensive range of insurance products (including life, medical, critical illness, annuity, accident, home, travel and motor) to cater for your protection needs.

- 1 Identify your protection needs and objectives in different life stages.
- 2 Assess your financial capacity, especially when considering long-term life insurance products.

## Financial Products and Services

### Key Points to Note



#### INVESTMENT



##### Stocks

Stock is a share in the ownership of a listed or unlisted company. Shareholders may get dividends and voting right depending on the class of the shares they hold.

- 1 Research on the companies that you are interested in investing.
- 2 Pay attention to factors that may affect the stock price such as global and macroeconomic factors, interest rate movements and other industry specific news related to the company.



##### Bonds

A bond is a public or private debt instrument issued by a company for fund-raising purpose. The diversity of product offerings, the open access for issuers and investors, and the increasing importance of offshore RMB bond issuances are critical to the development of Hong Kong as an international bond market.

- 1 Bonds carry credit risk, interest rate risk, foreign exchange risk, liquidity risk, inflation risk and event risk.
- 2 High-yield bonds and bonds with special features (such as contingent write down or loss absorption) carry additional risks.







### Funds

A fund is a collective pool of money from multiple investors that may be invested in stocks, bonds or other investments according to the investment objective set out in the offering document.

Funds must be authorised by the SFC before they can be offered to the public in Hong Kong.

To be authorised, funds must comply with the requirements set out in the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, which cover investment restrictions, eligibility of fund managers/custodians/trustees, information disclosure and operational matters.

Unauthorised funds can be privately distributed to professional investors and the onus is on the fund manager to ensure that laws are not contravened.

- 1 SFC authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance.
- 2 An unauthorised fund is not subject to the regulation of the SFC, its structures and operations may not be governed by any rules or regulations in Hong Kong and the offering document may not have been vetted by Hong Kong's authorities.
- 3 Read the offering document and product key facts statement. These will give you details of the investment objectives, strategy, risks and fees details.



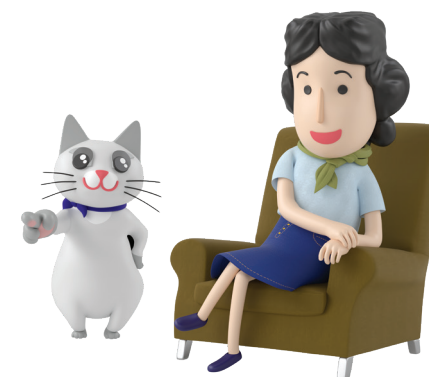
### Exchange-Traded Funds (ETFs)

Similar to stocks, exchange-traded funds (ETFs) are funds listed and traded on stock exchanges.

Broadly speaking, ETFs fall into two categories. Passive ETFs aim to track an underlying index, which can be a stock/bond/commodity market, a group of regional or global stock markets, or an industry sector. Passive ETFs are also known as index-tracking ETFs.

Active ETFs do not track an underlying index but seek to achieve a stated investment objective by investing in a portfolio of stocks, bonds, and/or other assets such as money market instruments.

- 1 Read the offering document and product key facts statement. These will give you details of the investment objectives, index-tracking strategy (where applicable), risks, fees and procedures.







### Structured Products\*

A structured product is an investment product with a derivative embedded, where the return is typically linked to the performance of the reference underlying eg securities, index; they may be listed or unlisted.

Listed structured products in Hong Kong include derivative warrants and callable bull/bear contracts (CBBs).

Unlisted structured products are traded over the counter in banks and brokerage houses, and include equity-linked investments (ELIs), equity-linked deposits (ELDs) and currency-linked investment products.

- 1 Investors should read the offering document and product key facts statement before making a decision. These contain details of the investment goal, strategy, risks and fees details.



### Leveraged Forex\*

A leveraged foreign exchange (forex) contract is a “geared” investment where you invest in one currency on margin in the expectation that its exchange rate will rise or fall against another currency. Whether you make a profit or suffer a loss depends on the difference between the exchange rates at which you open and close your position.

- 1 Leveraged forex can bring substantial profits, but also substantial losses, in a short period of time.
- 2 It is only suitable for disciplined investors who can afford the loss if the currency moves against expectations.



### Derivatives\*

A derivative is a financial contract whose value is derived from the performance of an underlying asset. Hong Kong's exchange-traded derivatives include options and futures contracts<sup>2</sup>.

- 1 The structure and the way derivatives work are complicated and involve leverage.
- 2 Investors should pay attention to issuer credit risks, the absence of collaterals, liquidity and market risk before investing.



### Virtual Assets\*

A virtual asset is a digital representation of value which may be in the form of digital tokens (such as cryptocurrencies, utility tokens or security or asset-backed tokens), any other virtual commodities, crypto assets or other assets of essentially the same nature.

- 1 Virtual assets are highly speculative and volatile, and many do not have any intrinsic value. They may not be backed by any government, bank or physical assets to support their value or purchasing power.
- 2 The prices of virtual asset rely heavily on investor confidence and market demand and supply, therefore are subject to relatively high volatility and other unique risks such as liquidity risk and trading platform risks.





### Investment-Linked Assurance Schemes (ILAS)

An investment-linked assurance scheme (ILAS) is a long-term insurance policy which provides both life insurance protection and investment options.

- 1 It is only suitable for investors who are prepared to hold the policy for the long term. Be aware of its long-term features, such as upfront charges, early surrender or withdrawal penalties and loyalty bonuses (if you meet certain conditions).
- 2 The policy value (and if applicable, death benefit for some ILAS policies) is subject to investment risks and market fluctuations. The return of an ILAS product may vary substantially or even become negative.
- 3 Check the offering documents (including the Product Key Facts Statement) and the Important Facts Statement (IFS) carefully and understand the product key features and risks. You will be asked to confirm your understanding and agreement to the information provided when you sign the IFS.



### RMB Products

A renminbi (RMB) product is a generic term that may include a wide range of investment products issued, denominated or traded in RMB, or may have exposure to RMB-linked assets or investments.

There are various types of RMB investment products which may have limited or no RMB-related underlying assets and investors may be exposed to the exchange rate risks of RMB as well as other market risks.

- 1 RMB is not a freely convertible currency and there are applicable foreign exchange controls.
- 2 Depending on settlement arrangement of a product, you may not receive RMB on redemption/sale of the product.
- 3 Onshore RMB (CNY) and offshore RMB (CNH) represent the same currency but are traded in different and separate markets that operate independently, amid the foreign exchange controls. RMB products traded in Hong Kong are usually priced in CNH, not CNY. CNH/CNY can trade at different prices.



## Cross-Boundary Investment

A number of initiatives open up new channels for mutual access between Mainland China and Hong Kong.



### Stock Connect between Mainland China and Hong Kong

The mutual stock market access between Mainland China and Hong Kong comprises of the stock trading links between Shanghai and Hong Kong (Shanghai Connect) and between Shenzhen and Hong Kong (Shenzhen Connect). With the Stock Connect, Hong Kong and overseas investors can directly trade in the Shanghai and Shenzhen A-shares while Mainland investors can directly trade in Hong Kong stocks. Stock Connect has been expanded beyond stock trading to include eligible ETFs since 2022.



### Mutual Recognition of Funds between Mainland China and Hong Kong

It is a scheme jointly launched by the China Securities Regulatory Commission and SFC. Under the scheme, eligible Mainland and Hong Kong funds can be distributed in each other's market through a streamlined vetting process.



### Bond Connect between Mainland China and Hong Kong

It allows investors in Mainland China and overseas to trade, settle and hold bonds tradable in the Mainland and Hong Kong bond markets through a linkage between the Mainland and Hong Kong financial infrastructure institutions.



### Swap Connect between Mainland China and Hong Kong

Swap Connect is the first derivatives mutual market access programme that allows global investors holding Mainland bonds to manage RMB interest rate risks. Launched in 2023, Swap Connect starting with Northbound Trading which allows investors from Hong Kong and other jurisdictions to participate in the Mainland interbank interest rate swap market. Southbound Trading will be explored in due course.



### Wealth Management Connect Scheme

The Cross-boundary Wealth Management Connect in the Guangdong-Hong Kong-Macao Greater Bay Area allows eligible Mainland, Hong Kong and Macao investors in the Guangdong-Hong Kong-Macao Greater Bay Area to invest in investment products distributed by financial institutions including banks and brokers in each other's market through a closed-loop funds flow channel.



### Your Green and Sustainable Investment Options

As green finance and sustainable investing become a global trend, related financial products are made available and listed companies are upping their ESG disclosures.

- **ESG and Green Funds:** Visit the SFC website for the authorised green and ESG funds in the market.
- **Green Bonds:** Issuers of green bonds can be governments, banks, the private sector, or even academic institutions to finance projects that benefit the environment and climate.
- **ESG Reports of Listed Companies:** Listed companies are required to disclose significant climate-related matters which have impacted and may impact the company in the ESG reports to keep investors informed of their ESG-related opportunities and risks.

# Mastering the Art of Investing and Trading

Interested in investing or trading in the financial markets, but not sure how to get started? Follow these essential steps to gain the knowledge and skills to participate in the financial markets.

## Prepare Yourself

Before you invest and trade, you should plan and do your homework.

- 1 **Assess Financial Status:** Assess your financial needs and financial situation, set your investment objectives and horizon.
- 2 **Risk Appetite:** Find out your risk tolerance level, taking into account your investment experience and knowledge and other personal circumstances.
- 3 **Product Research:** Learn about the features and risks of the financial products, choose those that fit your profile, and plan the allocation within the investment portfolio.

## Choosing an Intermediary

- 1 **Shop Around:** If you are going to buy investment products, purchase insurance policies, trade securities or get investment advice through intermediaries, remember to shop around first to compare the services offered and the fees charged.
- 2 **Check Licences:** Make sure the intermediary to be used is properly licensed to carry out the regulated activity, and ensure the intermediary fully understand your circumstances and needs.

You should check the licensing status of an intermediary on the register of the relevant financial regulator.



Please refer to  
page 30 for details.

## Trading Procedures

Take the following important steps to trade or buy financial products.

### Opening an Investment Account and Trade

- 1 **Open an Account:** Open a securities account with a bank or brokerage house.
- 2 **Trading:** Once the account is ready, you can trade on the exchanges or over the counter, depending on the nature of your investment.
- 3 **When Signing a Client Agreement with an Intermediary:** Read the details carefully including the services provided, remuneration eg commission, brokerage and any other charges, risk disclosure statements and the terms and conditions.

If you are trading on margin, check the details of margin requirements, interest charges, margin calls, and the circumstances in which your positions may be closed without your prior consent. Margin trading requires careful risk management as it can increase both returns and losses.

- 4 **Taxation:** In Hong Kong, certain taxes such as withholding tax, capital gains tax and dividend tax do not apply.

### Purchase Insurance Policies

- 1 **Channels of Purchasing:** You can purchase insurance policies in Hong Kong from an insurance agent or broker, or via other direct channels including online channels provided by insurance companies.
- 2 **Disclosure of Information:** Always answer all assessment related questions honestly and to the best of your knowledge. If you do not disclose truthful and accurate details, your policy may be terminated or any future claim could be rejected.

## Continuous Monitoring

Keep track of your investments. Pay attention to contract notes, monthly statements and any other reports provided by the intermediary or product issuer.

## Investing Overseas Through a Hong Kong Intermediary



### You Should Check with the Intermediary

- 1 **Counterpart:** Whether it has appointed any counterpart in that jurisdiction to execute the transactions, and ask the intermediary for details of the counterpart beforehand such as the regulation, if any, to which it is subject to.
- 2 **Operation and Arrangement:** The relevant execution and settlement arrangements, as well as the obligations and responsibilities of each party involved in your transactions.
- 3 **Additional Risks:** Any additional risks associated in conducting transactions and safekeeping your assets overseas, among other things.

Please note that client assets held by overseas intermediaries may not enjoy the same protection as those conferred on client assets received or held in Hong Kong. Always read carefully the client agreement, risk disclosure statement and/or offering documents, etc before making any investment decisions.



As online investing continues to grow in popularity, it is more important than ever to remain vigilant about cybersecurity. Visit the IFEC website to learn more about the cybersecurity tips and other points to consider when using online investment platforms.



# Safeguarding Your Assets

Did you know how your assets are safely protected within the system? When it comes to safeguarding your assets, it is essential to understand the underlying mechanisms that ensure their protection.

## Market Regulation

Misconduct can lead to consumer losses and disrupt the markets. The financial regulators aim to promote market fairness, safeguard investors and minimise crime by tackling issues such as insider dealing, market manipulation, unlicensed activities and money laundering.

## Combat Crime

The Hong Kong Police Force and the Independent Commission Against Corruption (ICAC) are dedicated to combating commercial fraud and corruption respectively.

## Disclosure of Information

Issuers of authorised investment products should disclose adequate and accurate information in the offering documents, including the Product Key Facts Statement, to help you make informed decisions.

## Responsibility of Intermediary

Intermediaries, such as employees of banks, brokerage houses, insurance agents and brokers, and investment advisers should explain to you clearly the features and risks of a product.

Taking into account the information collected through the “know your client” or “financial needs and risk profile assessment” process, when making a recommendation an intermediary must ensure that the recommendation is suitable for the customer in all circumstances.

## Declaration of Conflict of Interest

Intermediaries are required to disclose to you any benefits they would receive from product issuers and any profits made from transactions. They must also inform about their role in the transaction, any connection with the issuers, and the general terms and conditions under which you may receive discounts on fees and charges.

## Derivative Investment

If you have no knowledge of derivatives but wish to invest in a derivative product even without any solicitation or recommendation from the intermediary, the intermediary must still explain the relevant risks or advise you if the investment is suitable for you, depending on whether the derivative product is listed.

## Enquiries and Complaints

If you have queries about the products or services you have purchased, you should first reach out to the financial institution's complaints officer for complaints or an independent settlement staff for transaction-related enquiries. Should the response fail to meet your satisfaction, you may consider contacting the relevant regulators.

What	Where & How
Publicly offered investment products, SFC licensees, and suspected market misconduct and breaches of Takeovers Code	<b>Securities and Futures Commission</b>  (852) 2231 1222  complaint@sfc.hk  www.sfc.hk
Banks and their staff	<b>Hong Kong Monetary Authority</b>  (852) 2878 1378  bankcomplaints@hkma.gov.hk  www.hkma.gov.hk
SVF licensees	<b>Hong Kong Monetary Authority</b>  (852) 2878 1188  SVFComplaintEnquiry@hkma.gov.hk  www.hkma.gov.hk
Insurance companies, agents or brokers	<b>Insurance Authority</b>  (852) 3899 9983  enquiry@ia.org.hk   complaints@ia.org.hk  www.ia.org.hk
MPF/ORSO schemes, MPF trustees, MPF intermediaries	<b>Mandatory Provident Fund Schemes Authority</b>  (852) 2918 0102  mpfa@mpfa.org.hk  www.mpfa.org.hk

## Compensation

### Deposit Protection Scheme

The Deposit Protection Scheme protects depositors in Hong Kong, be it personal or corporate should a bank fail. All common types of deposits denominated in HKD, RMB or any other currency, held with a Scheme member are protected. The maximum protection is up to HKD500,000 per depositor per bank, including both principal and interest. Subject to the legislative process, the Hong Kong Deposit Protection Board aims to implement the new protection limit of HKD 800,000 within 2024, while the other enhancement measures to the Deposit Protection Scheme are targeted to come into effect in phases by early 2025.

### Investor Compensation Fund

The Investor Compensation Fund compensates retail investors' losses due to default of a Hong Kong licensed or registered intermediary or an authorised financial institution in relation to products traded on the Stock Exchange of Hong Kong and Hong Kong Futures Exchange. The maximum compensation per investor as a result of a single default is HKD500,000 for trading securities or futures contracts.

For defaults occurring on or after 1 January 2020, the Fund also covers investors' losses in relation to securities traded on a stock market operated by the Shanghai Stock Exchange or the Shenzhen Stock Exchange and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement.

### Compensation Fund

The Compensation Fund compensates members of MPF schemes for losses of MPF benefits that are attributable to misfeasance or illegal conduct committed by MPF trustees or other persons concerned with the administration of the schemes.

## Resolution

### Financial Dispute Resolution Centre (FDRC)

The FDRC provides financial consumers with an independent, affordable and transparent avenue for mediation and arbitration to resolve monetary disputes with financial institutions which are authorised by the HKMA or licensed by/registered with the SFC.

### Insurance Complaints Bureau (ICB)

The ICB provides consumers with a free, independent, efficient and cost-effective alternative dispute resolution mechanism to help resolve all insurance disputes arising from personal insurance policies of which the total claim amount does not exceed HKD1,200,000. Besides, the ICB provides mediation service to handle non-claim related disputes of monetary nature.



## Legal Redress

If you are unsatisfied with the outcome of your complaint, you may seek legal advice and decide to take the matter to court.

- 1 The Small Claims Tribunal for claims of up to HKD75,000
- 2 The District Court for claims above HKD75,000 and up to HKD3,000,000
- 3 The Court of First Instance of the High Court of Hong Kong that has unlimited jurisdiction

**Reach out to the following parties if you have encountered these issues.**

What	Where & How
Protection for deposits	<b>Deposit Protection Scheme</b> ☎ (852) 1831 831 ✉ dps_enquiry@dps.org.hk 🌐 www.dps.org.hk
Losses due to default of intermediaries for exchange-traded products in Hong Kong <sup>3</sup>	<b>Investor Compensation Fund</b> ☎ (852) 2523 7382 ✉ icc@hkicc.org.hk 🌐 www.hkicc.org.hk
Losses of MPF benefits due to misfeasance or illegal conduct of MPF trustees or other people concerned with the administration of the schemes	<b>Compensation Fund</b> ☎ (852) 2918 0102 ✉ mpfa@mpfa.org.hk 🌐 www.mpfa.org.hk
Mediation and arbitration of monetary disputes	<b>Financial Dispute Resolution Centre</b> ☎ (852) 3199 5100 ✉ fdrc@fdrc.org.hk 🌐 www.fdrc.org.hk
Monetary disputes arising from personal insurance policies	<b>The Insurance Complaints Bureau</b> ☎ (852) 2520 2728 ✉ icb@icb.org.hk 🌐 www.icb.org.hk

<sup>3</sup> For defaults occurring on or after 1 January 2020, the Fund also covers investors' losses in relation to securities traded on a stock market operated by the Shanghai Stock Exchange or the Shenzhen Stock Exchange and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement.

## Getting Useful Information

Are you considering to invest but not sure how to get the information you need? Take the following steps to make an informed financial decision.

### Getting Product Information

- 1 **Read Documents Thoroughly:** Read all the product offering documents or principal brochures available from the issuer and/or intermediary.
- 2 **Verify Authorisation:** Check with the issuer and/or intermediary to see whether the product is authorised by the SFC.
- 3 **Seek Professional Advice:** Seek professional advice from the intermediary about the product, including details of its fees and charges and risks.
- 4 **Request for Additional Information:** Where necessary, request the issuer for additional information, which you may do via your intermediary.

### Keeping Track of Trading Information

After purchasing a financial product, it is critical for you to keep track of its trading information and review the statements to understand its performance.





## Check the Intermediaries' Information

Look up the public registers maintained by regulators to check if an intermediary is properly licensed, authorised or registered.

Regulated Activities	Key Information	Source
Regulated activities as defined under the Securities and Futures Ordinance (SFO)	Licence details, contact details of complaints officer and any records of public disciplinary actions taken by the SFC	"Public Register of Licensed Persons and Registered Institutions" on SFC website
	Names of licensed virtual assets trading platforms by the SFC	"List of licensed virtual asset trading platforms" on SFC website
Banks' securities business and/or other regulated activities as defined under the SFO	Registration details and any records of public disciplinary actions taken by the SFC and/or HKMA	"Register of Securities Staff of AIs" and "Register of AIs & LROs" on HKMA website
Sales, marketing and giving advice on MPF products	Registration details and any records of public disciplinary actions taken by MPFA within the last 5 years	"Public Register of Principal Intermediary" or "Public Register of Subsidiary Intermediary" on MPFA website
Sales/advising on insurance policies	Licence details and contact information of insurance companies	"Register of Authorized Insurers" on IA website
	Licence details and status of insurance intermediaries; contact information of licensed insurance agencies and licensed insurance broker companies; public disciplinary actions taken in the last 5 years	"Register of Licensed Insurance Intermediaries" on IA website

## What You Should Check in Your Home Country

If you are a citizen of a country or region outside Hong Kong, you should check the relevant authorities in your jurisdiction whether you are subject to any requirements for investing overseas, such as capital gains tax, currency conversion restrictions or foreign exchange controls or any other legal restrictions.

### Don't Fall for Financial Scams

**Do not take people at their word, especially when it comes to your money! Scammers are known to play various mind games and if you are not careful enough, you could easily become the next victim. To protect yourself against scams, always be vigilant and watch out for scam news.**



Check out IFEC's interactive online games and quizzes to test your asset protection awareness and financial knowledge.

Visit the IFEC website to learn more about common financial scams.



**If you suspect that you have been a victim or have any questions about scams, call the Hong Kong Police's Anti-Deception Coordination Centre hotline 18222 for assistance.**



+852 2700 6000



+852 2297 3300



info@ifec.org.hk



www.ifec.org.hk

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