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The rapid growth of Asian wealth is propelling the region’s Exchange Traded Funds (ETFs) industry. **Are you prepared to capture Asia’s investment demand?** With a close proximity to China – the largest Asian market by wealth – Hong Kong offers a multitude of competitive advantages for ETF issuers to expand in Asia.

ASIA’S INSTITUTIONAL LANDSCAPE

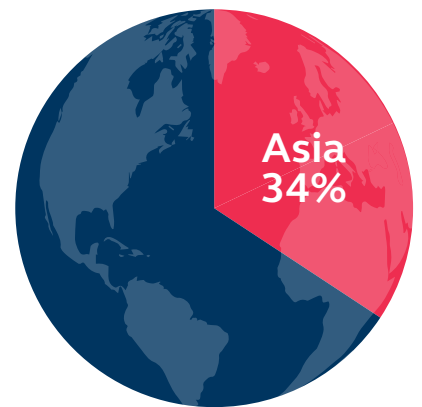
With Asian institutions managing over **\$25 trillion in assets**, Hong Kong is your gateway to capture Asia’s liquidity.



Source: Cerulli, Greenwich

ACCESS CHINA AND BEYOND

Asia has a household wealth of USD 108.6 trillion accounting for 34% of the world’s total.



Source: Credit Suisse Global Wealth Databook 2018
The world’s total household wealth was USD 317,084 billion in 2018

As a fast developing Exchange Traded Product (ETP) marketplace, Hong Kong offers uncontested market space in various product categories for issuers to grow AUM.

ETPs listed in Hong Kong:

ETFs 107¹

L&I Products 22¹
Leveraged and inverse

HK\$311Bn¹
Market cap

HK\$4.5Bn²
Average daily turnover

¹ As of 31 December 2018
² From 2 January to 31 December 2018

OPPORTUNITIES IN PRODUCT DEVELOPMENT

Underlying	Hong Kong	China	Asia	Europe	US	Global
Market Cap	High Coverage	High Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage
Sector	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage
Smart Beta	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage
Leveraged / Inverse	High Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage
FIC	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage
Alternative	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage
Active	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage	Medium Coverage

High Coverage Medium Coverage No Coverage

LISTING PROCEDURES

1. Eligibility of ETP issuers

- Exchange Traded Product (ETP) issuers must be licensed by the Securities and Futures Commission (SFC).
- Leveraged and Inverse Product (L&I Product) issuers are required to fulfil additional eligibility requirements.

2. Admission for clearing

- ETP issuers and trustees will have to apply to Hong Kong Securities Clearing Company Limited for the admission of the ETP units as eligible securities for deposit, clearing and settlement in CCASS before the ETP is listed.
- HK Conversion Agency Services Limited (HKCAS) can act as a service agent for most ETFs tracking non-Hong Kong equities and L&I Products. HKCAS can also act as a conversion agent for most ETFs tracking Hong Kong equities.

3. Authorisation by the SFC

- Pursuant to the Securities and Futures Ordinance (SFO), authorisation by the SFC is required for all ETPs listed in Hong Kong. The Code on Unit Trusts and Mutual Funds establishes guidelines for the authorization of collective investment schemes (CIS) which include ETFs and L&I Products.
- For authorisation of L&I Products, please also refer to the SFC's Circular on Leveraged and Inverse Products.

4. Listing approval by The Stock Exchange of Hong Kong Limited (SEHK)

- After obtaining the SFC's authorisation with conditions, a formal listing application of ETPs can be submitted to the Listing Division of HKEX.

5. Admission for market making

- ETP issuers are advised to contact HKEX's ETP team at ETFs@hkex.com.hk for market making arrangements.

6. Listing approval by SEHK

- After obtaining all the necessary authorisation and approvals, the ETP will be listed on SEHK for trading.

Learn more about listing ETFs in Hong Kong at www.hkex.com.hk/etp

COMPREHENSIVE SUPPORT

Whether you are making your first step in Asia's ETF marketplace or looking to expand your presence in the region, HKEX provides you with a wide range of support so that you can focus on growing your assets.

Partner with us on:

- events;
- content marketing;
- and more...

Contact us at ETFs@hkex.com.hk for more details.

GET ACTIVE

List Active ETFs in Hong Kong

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