

Market Misconduct Regulation (MMR) Policy Statement

XHK Limited (the “Company”) is committed to high standards within market integrity compliance. It is a priority across the entire company to stay focused on the risks, prevent regulation breaches and avoid facilitating clients or transactions involved in abusive behaviour in financial markets.

The Company acts in transparency and cooperation with applicable supervisors and regulatory requirements and law enforcement guidelines issued by them.

The Company has a responsibility to its customers and regulators to prevent the Company from being used to facilitate the usage of illegal market practices when a person or group of people act to disadvantage other investors in the market.

The Company is committed to maintaining the highest standards of integrity and transparency, and adhering to the stringent requirements of the Market Misconduct Regulation (MMR) in global markets. This includes compliance with the Securities and Futures Ordinance (Cap. 571) and related guidance issued by the SFC.

Commitment to Compliance

The Company is dedicated to preventing market misconduct and ensuring fair and orderly markets. Robust systems and procedures to detect, monitor, and report any suspicious activities that may constitute market misconduct are implemented. Compliance framework is designed to be effective, proportionate, and tailored to the scale and nature of our business activities globally. All suspected breaches must be reported promptly to the SFC in accordance with the Code of Conduct.

Key Principles

1. Detection and Monitoring: The Company utilises advanced surveillance systems and maintains vigilant monitoring practices to identify potential market misconduct. Surveillance systems are regularly tested, reviewed, and updated to ensure they function correctly and efficiently.

2. Reporting and Governance: The Company has clear procedures in place for the timely and accurate reporting of any suspicious transactions or orders. The governance structure supports effective oversight, with defined responsibilities and accountability at all levels.
3. Training and Awareness: The Company provides ongoing training to its employees to ensure they are aware of their obligations under MMR and equipped to recognize and report suspicious activities. Training programmes include specific guidance aligned with the Securities and Futures Ordinance Cap. 571 and address six categories of market misconduct: insider dealing, false trading, price rigging, stock market manipulation, disclosure of false or misleading information, and disclosure of prohibited transactions.
4. Data Integrity: The Company ensures that all relevant trade and order data is accurately captured, stored, and analyzed. The data governance policies are designed to guarantee the completeness and reliability of the data used in surveillance systems.
5. Continuous Improvement: The Company is committed to continuous improvement in its compliance practices. This includes regular reviews of systems and procedures, adapting to regulatory changes, and incorporating new technologies and best practices to enhance market abuse prevention efforts.

Preventive Measures

Our commitment to MMR compliance is unwavering and consistent. We align our policies with the regulatory requirements, ensuring a cohesive and comprehensive approach to market misconduct prevention.

The Company has a zero-tolerance approach to market misconduct, has an open relationship with its regulator, submits suspicious transactions and order reports, terminates accounts based on very low thresholds of suspicion, and liaises with other law enforcement agencies as appropriate.

Specific Regulatory Adherence

Our operations comply with the Securities and Futures Ordinance Cap.571 (SFO) under the regulation of the Securities and Futures Commission (SFC). We uphold rigorous standards to prevent and detect market misconduct in Hong Kong.

Contact Us

For any queries regarding our MMR Policy, please contact our compliance team at compliance@xhk.asia. We are dedicated to maintaining transparency and upholding the highest standards of market integrity.

This policy statement reflects our dedication to upholding the principles of market misconduct regulation and ensuring fair and transparent market practices across all regions in which we operate.