



The HK Association of Online Brokers

香港網上經紀協會

SFC

Ms. Julia Leung

10 October 2018

Dear Ms. Leung,

RE : Exchange Based Fund Distribution Platform

We notice from Mr. Ashley Alder's speech on September 19<sup>th</sup> at the HKIFA Luncheon where he spoke at length about Retail Fund distribution. We understand that the SFC is considering setting up a framework for an exchange based fund distribution platform to facilitate the distribution of funds to Hong Kong retail investors.

The retail fund distribution channels in Hong Kong have long been dominated by a small number of banks, such concentration and dominance have resulted in an unhealthy market environment that have inhibited the growth of the fund industry, the use of advance retail technology and the healthy development of a robo-advisory industry.

The Hong Kong Association of Online Brokers ("HKAOB") strongly support the SFC's initiative in setting up a business to business exchange based fund distribution platform. We strongly believe the future growth of the Hong Kong financial market must be set upon an infrastructure that is conducive to the advance use of financial technology and sufficiently open to allow multiple channels of distribution to flourish.

HKAOB looks forward to working with the SFC in the design of such a meaningful model.

Yours faithfully,

**Oliver Ng**

Chairman

Hong Kong Association of Online Brokers