



**SECURITIES AND  
FUTURES COMMISSION**  
證券及期貨事務監察委員會

# **Licensing Handbook for Virtual Asset Trading Platform Operators**

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## Foreword

1. This Handbook provides general information of licensing matters in relation to virtual asset trading platform operators under the Securities and Futures Ordinance (SFO) (Chapter 571) and/or the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO) (Chapter 615) administered by the Securities and Futures Commission (SFC).
2. The terms of this Handbook follow those used in the [“Guidelines for Virtual Asset Trading Platform Operators”](#) unless otherwise defined.
3. Any person carrying on a regulated activity<sup>1</sup> and/or VA service<sup>2</sup> in Hong Kong has to be licensed by the SFC.
4. **It is a serious offence to carry on a regulated activity and/or VA service in Hong Kong or actively market to the investing public of Hong Kong any services which constitute a regulated activity and/or VA service without the required licence(s).**
5. The SFC maintains a register of Platform Operators and their licensed representatives at <http://www.sfc.hk/publicregWeb/searchByName?locale=en>.
6. Whilst it is believed that this Handbook provides an accurate overview of the licensing requirements for Platform Operators, it is not intended to deal with all situations. Further information is available at <http://www.sfc.hk>. For more precise guidance, you should consult your own professional advisers and refer to the SFO and/or the AMLO.
7. Enquiries on licensing related matters can also be made to the SFC by e-mail to [vatp-licensing@sfc.hk](mailto:vatp-licensing@sfc.hk).
8. InvestHK (<https://www.hongkong-fintech.hk>) provides services to support companies intending to launch or expand their businesses in Hong Kong. If you would like to receive any support in this regard, please feel free to contact them at [fintech@investhk.gov.hk](mailto:fintech@investhk.gov.hk).

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<sup>1</sup> As defined under Schedule 5 to the SFO.

<sup>2</sup> As defined under section 53ZR and Schedule 3B to the AMLO.

## Part I Do you need a licence?

### Chapter 1 Licensing requirements

#### 1.1 General requirements

1.1.1 Broadly speaking, you need to be licensed for

- Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under section 116 of the SFO; and/or
- providing a VA service under section 53ZRK of the AMLO,

if:

- you are a corporation carrying on a business in the activities set out above in Hong Kong (section 114(1) and (2) of the SFO and/or section 53ZRD(1) and (2) of the AMLO);
- you are a corporation actively marketing, whether by yourself or another person on your behalf and whether in Hong Kong or from a place outside Hong Kong, to the public any services that you provide, which would constitute the activities set out above if provided in Hong Kong (section 115 of the SFO and/or section 53ZRB of the AMLO);

See also [FAQ \("Actively markets" under section 115 of the SFO and section 53ZRB of the AMLO\)](#); or

- you are an individual performing a regulated function<sup>3</sup> for your principal which is a Platform Operator in relation to the activities set out above carried on as a business. In that case, you have to be a *licensed representative* accredited to your principal (section 114(3) and (4) of the SFO and/or section 53ZRD(3) and (4) of the AMLO). In addition, if you are an executive director<sup>4</sup> of the Platform Operator, you also need to be approved as a *responsible officer* (section 125(1)(a) of the SFO and/or section 53ZRO(1)(a) of the AMLO).

1.1.2 Sole proprietorship or partnership is not an acceptable form of business structure for the purposes of licensing.

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<sup>3</sup> "Regulated function", in relation to a regulated activity and/or VA service carried on as a business by any person, means any function performed for or on behalf of or by arrangement with the person relating to the regulated activity and/or VA service, other than work ordinarily performed by an accountant, clerk or cashier.

<sup>4</sup> Under section 113(1) of the SFO and/or section 53ZR of the AMLO, "executive director", in relation to a Platform Operator, means a director of the Platform Operator who –  
(a) actively participates in; or  
(b) is responsible for directly supervising,  
the business of a regulated activity and/or VA service for which the Platform Operator is licensed.

## 1.2 Further guidance

### Conducting business outside Hong Kong

- 1.2.1 A licence issued by the SFC under Part V of the SFO and/or Part 5B of the AMLO only allows the holder to carry on business in the Relevant Activities<sup>5</sup>, or to perform a regulated function in relation to the Relevant Activities carried on as a business, in Hong Kong. When a Platform Operator or individual conducts activities in a jurisdiction outside Hong Kong, it is necessary for such Platform Operator or individual to ensure that the relevant legal and regulatory requirements of that other jurisdiction are fully complied with.

See also [FAQ \(Conducting business outside Hong Kong\)](#)

### SFC Regulatory Sandbox

- 1.2.2 Platform Operators demonstrating a genuine and serious commitment to carry on Relevant Activities through the use of innovative Fintech may operate the Relevant Activities in a confined regulatory environment (i.e. the SFC Regulatory Sandbox). In order to contain risks to investors, the SFC may impose licensing conditions on Platform Operators upon being licensed, and place them under closer monitoring and supervision when they operate in the Sandbox.

See also [FAQ \(SFC Regulatory Sandbox\)](#)

- 1.2.3 As a Platform Operator, your licence will be subject to appropriate conditions, including but not limited to the conditions to the effect that:
- The Platform Operator shall at all times be in compliance with the requirements of the Guidelines for Virtual Asset Trading Platform Operators issued by the SFC.
  - The Platform Operator shall immediately notify the SFC if it becomes aware of its inability to maintain, or to ascertain whether it maintains, liquid capital not less than its required liquid capital or minimum paid-up share capital and immediately cease carrying on VA service business. The “liquid capital”, “required liquid capital”

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<sup>5</sup> As defined under paragraph 1.1 of the Guidelines for Virtual Asset Trading Platform Operators, “Relevant Activities” means:

- (a) providing services through means of electronic facilities:
- (i) whereby:
    - A. offers to sell or purchase virtual assets are regularly made or accepted in a way that forms or results in a binding transaction; or
    - B. persons are regularly introduced, or identified to other persons in order that they may negotiate or conclude, or with the reasonable expectation that they will negotiate or conclude sales or purchases of virtual assets in a way that forms or results in a binding transaction; and
  - (ii) where client money or client virtual assets comes into direct or indirect possession of the person providing such service; and
- (b) any off-platform virtual asset trading activities and incidental services provided by the Platform Operator to its clients, and any activities conducted in relation to off-platform virtual asset trading activities.

and “minimum paid-up share capital” shall be calculated according to the Guidelines for Virtual Asset Trading Platform Operators issued by the SFC.

- The Platform Operator shall (1) provide monthly reports to the SFC on its business activities in a format as prescribed by the SFC and submit the report to the SFC within two weeks after the end of each calendar month and additionally upon the SFC’s request; and (2) provide any other information as the SFC thinks fit from time to time.
- The Platform Operator shall engage an independent professional firm acceptable to the SFC to conduct an annual review of its activities and operations and prepare a report confirming that it has complied with the licensing conditions and all relevant legal and regulatory requirements.

The first report shall be submitted to the SFC within 18 months of the date of approval of the licence. Subsequent reports shall be submitted to the SFC within four months after the end of each financial year and additionally upon the SFC’s request.

- The Platform Operator shall obtain the SFC’s prior written approval for any plan or proposal to introduce or offer a new or incidental service, or activity, or to make a material change to an existing service or activity (including long suspension or termination of an existing service or activity).
- The Platform Operator shall only operate a centralised online virtual asset trading platform for trading of virtual assets on its platform and carry on (1) off-platform virtual asset trading business and incidental services provided by it to its clients; and (2) activities conducted in relation to such off-platform business. The term “virtual asset” is as defined in the Guidelines for Virtual Asset Trading Platform Operators issued by the SFC.

- 1.2.4 A Platform Operator must comply with all licensing conditions imposed on it when conducting the Relevant Activities. Any breach of a licensing condition would be considered “misconduct” under Part IX of the SFO and/or Division 9 of Part 5B of the AMLO. Breaches may also reflect adversely on the fitness and properness of a Platform Operator to remain licensed and may result in disciplinary action by the SFC, for example, licence revocation, public reprimand or fine.

#### **Licensing of compliance officers/in-house counsel**

- 1.2.5 Normally, the SFC will not license back office staff, including compliance officers and in-house legal counsel, if s/he does not perform functions that directly relate to the conduct of the Relevant Activities for which the corporation is licensed. If a licensed individual becomes a back office staff by reason of a change of position within the firm, s/he should request a revocation of her/his licence forthwith under section 195(1)(d) of the SFO and/or section 53ZSQ(2)(d) of the AMLO.

- 1.2.6 As a matter of general principle, the SFC considers it necessary for there to be segregation between the performance of compliance or legal function and the performance of the activities that constitute the carrying on of Relevant Activities. Without such segregation, there would be inherent conflict arising out of a compliance officer or in-house legal counsel carrying on the Relevant Activities for which the Platform Operator employing him/her is licensed and, at the same time, being responsible for supervising such activities for the purposes of regulatory compliance.



## **Chapter 2 Platform Operators and licensed individuals**

### **2.1 Platform Operators**

2.1.1 A corporation which is:

- (a) granted a licence for Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under section 116 of the SFO and carries out any Relevant Activities; and/or
- (b) granted a licence for providing a VA service under section 53ZRK of the AMLO and carries out any Relevant Activities.

Please see paragraphs 3.2.1 to 3.2.21 for more information.

### **2.2 Responsible officers**

2.2.1 A licensed representative (see paragraph 2.3) who is also approved as a responsible officer under section 126 of the SFO and/or section 53ZRP of the AMLO to supervise the Relevant Activities of the Platform Operator to which s/he is accredited.

Please see Chapter 4 for more information.

### **2.3 Licensed representatives**

2.3.1 An individual who is granted a licence under section 120(1) of the SFO and/or section 53ZRL(1) of the AMLO to carry on the Relevant Activities for a Platform Operator to which s/he is accredited.

Please see paragraphs 5.1 and 5.2 for more information.

## Part II

### What are the requirements for getting a licence?

#### Chapter 3 Platform Operators

##### 3.1 General fit and proper requirement

3.1.1 The SFC is obliged to refuse to grant a licence if the applicant fails to satisfy the SFC that it is fit and proper. Pursuant to section 129 of the SFO and/or section 53ZRJ of the AMLO, in considering whether a person is fit and proper for the purposes of licensing, the SFC shall, in addition to any other matter that the SFC may consider relevant, have regard to the following:

- financial status or solvency;
- educational or other qualifications or experience;
- ability to carry on the Relevant Activities concerned competently, honestly and fairly; and
- reputation, character, reliability and financial integrity

of the applicant and other relevant persons as appropriate.

3.1.2 The above criteria serve as the fundamental basis when the SFC considers each licence application. For further elaboration of these attributes, you may wish to refer to Parts II and III of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

3.1.3 We set out below the specific criteria that different types of applicants normally need to satisfy to get a licence.

##### 3.2 Specific approval criteria – Platform Operators

###### Incorporation

3.2.1 You must be a company incorporated in Hong Kong or an overseas company registered with the Companies Registry of Hong Kong.

###### Competence

3.2.2 You have to satisfy the SFC that you have proper business structure, good internal control systems and qualified personnel to ensure the proper management of risks that you will encounter in carrying on your proposed business as detailed in your business plan. Please refer to the [“Guidelines for Virtual Asset Trading Platform Operators”](#) for more information.

###### Responsible officers

3.2.3 You should appoint not less than two responsible officers to directly supervise the conduct of your Relevant Activities.

- 3.2.4 You should have at least one responsible officer ordinarily residing in Hong Kong to supervise the business of your Relevant Activities.
- 3.2.5 At least one of your proposed responsible officers must be an executive director<sup>6</sup> as defined under the SFO and/or the AMLO.
- 3.2.6 The SFC generally expects that the Managers-In-Charge of the Overall Management Oversight function and the Key Business Line function described in the section of “Senior Management” of this chapter should seek the SFC’s approval as responsible officers. For details, please refer to the [FAQ \(Measures for augmenting senior management accountability in platform operators\)](#).
- 3.2.7 All your executive directors must seek the SFC’s approval as responsible officers accredited to you.
- 3.2.8 All applications for approval as responsible officers should be lodged with the SFC for consideration together with your licence application.

### Senior Management

- 3.2.9 The senior management of your corporation should bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by you.

The SFC is of the view that senior management of a Platform Operator includes, among others:

- directors<sup>7</sup> of the Platform Operator,
- responsible officers of the Platform Operator, and
- individuals whom we call the Managers-In-Charge of Core Functions (MICs).

- 3.2.10 These three categories are not mutually exclusive. For instance, an individual can simultaneously be a director, responsible officer and MIC of a Platform Operator.

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<sup>6</sup> As defined in section 113(1) of the SFO and/or section 53ZR of the AMLO, “executive director”, in relation to a Platform Operator, means a director of the Platform Operator who –  
(a) actively participates in; or  
(b) is responsible for directly supervising,  
the business of a regulated activity and/or VA service for which the Platform Operator is licensed.

An executive director may reside outside Hong Kong so long as s/he is able to satisfactorily discharge his/her responsibility to supervise the business of the Relevant Activities of the Platform Operator. In this regard, factors which the SFC would consider include the frequency of his/her visit to attend to Relevant Activities in Hong Kong and the systems of internal controls. In addition, you should have at least one responsible officer ordinarily residing in Hong Kong to supervise the business of the Relevant Activities.

It is unlikely that a director who resides outside Hong Kong and does not participate in your day-to-day management will be required to be approved as a responsible officer.

<sup>7</sup> The term “director” is defined in Schedule 1 to the SFO and/or section 53ZR of the AMLO to include a shadow director and any person occupying the position of director by whatever name called.

- 3.2.11 When applying for a licence under section 116(1) of the SFO and/or section 53ZRK(1) and (2) of the AMLO, you are required to provide information regarding your MICs and your organisational chart.
- 3.2.12 The management structure of a Platform Operator (including its appointment of MICs) should be approved by the Board of the Platform Operator. Furthermore, the Board should ensure that each of the Platform Operator's MICs has acknowledged her/his appointment as MIC and the particular Core Function(s) for which s/he is principally responsible.
- 3.2.13 After being licensed, you are required to notify the SFC of any changes in your appointment of MICs or any changes in certain particulars of your MICs within seven business days of the changes. In some situations, you are also required to submit an updated organisational chart in your notification of that change.
- 3.2.14 For details of the requirements, please refer to the [FAQ \(Measures for augmenting senior management accountability in platform operators\)](#).

### **Substantial shareholders, ultimate owners, officers and other related persons to be fit and proper**

- 3.2.15 Your substantial shareholders, ultimate owners, officers<sup>8</sup> and any other person who is or is to be employed by, or associated with, you for the purposes of the Relevant Activities for which the application is made shall be fit and proper. Please refer to section 129 of the SFO and/or section 53ZRJ of the AMLO for details.
- 3.2.16 A substantial shareholder not having a "close link" with the corporate licence applicant may be allowed to provide less information in the application form (see paragraph 6.12.2 for further information), although the SFC may subsequently require additional information to be submitted if deemed necessary.

### **Financial resources**

- 3.2.17 You have to maintain at all times paid-up share capital of not less than HK\$5,000,000 and liquid capital of not less than your required liquid capital, ie. the higher of HK\$3,000,000 and the basic amount as defined in section 2 of the Securities and Futures (Financial Resources) Rules (Financial Resources Rules).

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<sup>8</sup> "Officer", in relation to a corporation, means a member of the senior management (including directors, responsible officers and MICs), manager or secretary of, or any other person involved in the management of, the corporation.

As defined in Part 1 of Schedule 1 to the SFO and/or section 53ZR of the AMLO, "director" includes a shadow director and any person occupying the position of director by whatever name called. "Shadow director" means a person in accordance with whose directions or instructions the directors of a corporation are accustomed or obliged to act, but a person shall not be regarded as a shadow director by reason only of the fact that the directors act on advice given by him in a professional capacity.

- 3.2.18 For the purposes of calculating your liquid capital and the required liquid capital, you should account for all your assets, liabilities and transactions in accordance with Part 4 of the Financial Resources Rules and follow the computation basis prescribed in Division 2 of Part 4 of the Financial Resources Rules.
- 3.2.19 Please refer to Part VI of the [“Guidelines for Virtual Asset Trading Platform Operators”](#) and the Financial Resources Rules for more information on the financial resources requirements including the computation of your liquid capital and required liquid capital.
- 3.2.20 You should also maintain in Hong Kong at all times assets which you beneficially own and are sufficiently liquid, for example, cash, deposits, treasury bills and certificates of deposit (but not virtual assets), equivalent to at least 12 months of your actual operating expenses calculated on a rolling basis.
- 3.2.21 As such, you are required to provide a projection of its operating expenses to be incurred in the first 12 months after having been licensed.

#### **Custody of client assets**

- 3.2.22 A Platform Operator should only hold client assets on trust for its clients through its Associated Entity<sup>9</sup>. The Associated Entity should not conduct any business other than that of receiving or holding client assets on behalf of the Platform Operator.

#### **External assessment reports**

- 3.2.23 You are required to engage an external assessor to assess your policies, procedures, systems and controls; and submit the assessor’s reports to the SFC (i) when submitting the licence application (Phase 1 Report) and (ii) after approval-in-principle is granted (Phase 2 Report). For the details of the selection criteria on the assessor and the scope of the external assessment reports, please refer to the [FAQ \(External assessment reports for licence applications\)](#).

### **3.3 Use of External Electronic Data Storage**

- 3.3.1 Data centres at which a Platform Operator’s electronic regulatory records are exclusively kept are also required to be approved by the SFC under section 130 of the SFO and/or section 53ZRR of the AMLO regardless of whether they are located in Hong Kong. This requirement applies to data centres used by an electronic data storage provider engaged by a Platform Operator or its affiliate as well as to an affiliate’s own data centres. Approvals may be given subject to any condition

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<sup>9</sup> As defined under paragraph 1.1 of the Guidelines for Virtual Asset Trading Platform Operators, “Associated Entity”, in relation to a Platform Operator, means a company which (i) has notified the SFC that it has become an “associated entity” of the Platform Operator under section 165 of the SFO and/or section 53ZRW of the AMLO; (ii) is incorporated in Hong Kong; (iii) holds a “trust or company service provider licence” under the AMLO; and (iv) is a wholly owned subsidiary of the Platform Operator.

imposed under section 403 of the SFO and paragraph 14.6 of the [\*“Guidelines for Virtual Asset Trading Platform Operators”\*](#). See also [FAQ \(Use of external electronic data storage\)](#).

## Chapter 4 Responsible officers

### 4.1 General fit and proper requirement

4.1.1 You need to satisfy the SFC that you have fulfilled the fit and proper requirement, having regard to:

- financial status or solvency;
- educational or other qualifications or experience;
- ability to carry on the Relevant Activities concerned competently, honestly and fairly; and
- reputation, character, reliability and financial integrity.

For details, please refer to Part II of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

### 4.2 Specific approval criteria

4.2.1 As part of the fit and proper requirement, you should fulfil competence criteria relating to:

- academic / professional qualifications
- relevant industry experience
- recognised industry qualifications / Extra CPT<sup>10</sup>
- management experience
- local regulatory framework paper

For more details, please refer to paragraphs 3.16 to 3.21 (Responsible officers) and paragraphs 3.24 to 3.38 (Exemptions from the recognised industry qualification and local regulatory framework paper requirements) of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

### 4.3 Sufficient authority

4.3.1 You should have sufficient authority to supervise the business of Relevant Activities of the Platform Operator that you will be accredited to.

4.3.2 You may or may not be a member of the board of directors of the Platform Operator.

4.3.3 However, if you are a director of the Platform Operator and actively participate in or directly supervise the business of regulated activity and/or VA service, you will be an “executive director” as defined in section 113 of the SFO and/or section 53ZR of the AMLO and must apply to become a responsible officer of the Platform Operator in respect of the regulated activity and/or VA service concerned.

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<sup>10</sup> “Extra CPT” means that you must complete five CPT hours which is a one-off requirement, irrespective of whether the individual is applying under the SFO and/or AMLO. The additional CPT hours should be taken within six months preceding the submission of the application.

- 4.3.4 An employer-employee relationship is not a prerequisite for the approval of a responsible officer. For example, a consultant (not being an employee) of a company undertaking to supervise Relevant Activities is eligible to be approved as a responsible officer. However, that individual must act on behalf of or have an arrangement with the Platform Operator for carrying out the Relevant Activities.

#### 4.4 Further guidance

##### Managers-In-Charge of Core Functions (MICs)

- 4.4.1 The SFC generally expects that MICs of two core functions set out in the [FAQ \(Measures for augmenting senior management accountability in platform operators\)](#), namely the Overall Management Oversight function and the Key Business Line function, should seek the SFC's approval to be responsible officers in respect of the Relevant Activities they oversee.
- 4.4.2 For details of the requirements, please refer to the [FAQ \(Measures for augmenting senior management accountability in platform operators\)](#).

##### Requirement on relevant industry experience

- 4.4.3 Relevant industry experience generally refers to hands-on working experience acquired through the carrying on of the Relevant Activities in Hong Kong or similar activities regulated elsewhere. The SFC may also accept experience gained in a non-regulated situation where, for example, the experience is relevant to the carrying on of the Relevant Activities but the related activities are exempted from licensing or registration requirements in Hong Kong or elsewhere. In assessing the "relevance" of an individual's experience, the SFC will consider whether the substance of the experience is directly relevant or crucial to the Relevant Activities proposed to be carried on by the individual and the role that the individual will undertake.

##### Financial technology

- 4.4.4 Another example is that where the Relevant Activities carried on by a Platform Operator is based on the utilisation of a highly innovative technology, a proposed responsible officer's direct previous experience in the relevant technology itself may be essential in integrating the technology into the Relevant Activities carried on by the Platform Operator. If so, the SFC may recognise such technology experience as relevant industry experience.



- 4.4.5 However, a traditional brokerage firm which provides some dealing services through an online trading platform is unlikely to be considered as conducting regulated activities with the platform being a central element of those activities. As such, the SFC may not recognise this as relevant industry experience.

See also paragraphs 3.13 and 3.18 of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

#### **Dormant firms**

- 4.4.6 When assessing the industry experience claimed by an applicant, the SFC will take into account the business activities of the firm to which s/he was accredited to. In particular, if the firm was largely or completely dormant for a prolonged period, the industry experience purportedly gained by the applicant may be less effectual for fulfilling the competence requirements.

#### **Overseas residents**

- 4.4.7 The SFC will only grant licences to individuals if they will come to Hong Kong to carry on Relevant Activities on behalf of the Platform Operators they are accredited to.
- 4.4.8 If a responsible officer will be stationed overseas and come to Hong Kong to carry on Relevant Activities from time to time, s/he should expect a non-sole condition to be imposed on her/his licence. Her/His principal should ensure that it has sufficient onshore responsible officers who are free from any licensing condition with respect to the Relevant Activities to supervise the business of the Relevant Activities in Hong Kong.

For details, please refer to the [FAQ \(Conducting business outside Hong Kong\)](#).

- 4.4.9 Itinerant professionals should not be responsible officers because responsible officers are required to be responsible for overseeing the Relevant Activities for which their principal is licensed. Itinerant professionals spend only short periods in Hong Kong from time to time and for specific purposes. This is generally incompatible with the performance of the obligations that are imposed on responsible officers.

## Chapter 5 Licensed representatives

### 5.1 General fit and proper requirement

5.1.1 You need to satisfy the SFC that you have fulfilled the fit and proper requirement, having regard to:

- financial status or solvency;
- educational or other qualifications or experience;
- ability to carry on the Relevant Activities concerned competently, honestly and fairly; and
- reputation, character, reliability and financial integrity.

For more details, please refer to Part II of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

### 5.2 Specific approval criteria

5.2.1 As part of the fit and proper requirement, you should fulfil competence criteria relating to:

- academic / professional qualifications
- relevant industry experience
- recognised industry qualifications / Extra CPT<sup>11</sup>
- local regulatory framework paper

For more details, please refer to paragraphs 3.22 to 3.23 (Licensed representatives) and paragraphs 3.24 to 3.38 (Exemptions from the recognised industry qualification and local regulatory framework paper requirements) of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

#### Itinerant professionals

5.2.2 If you will repeatedly visit Hong Kong on business for a short period each time, you may apply for a representative licence to be an itinerant professional.

5.2.3 Itinerant professionals who perform Relevant Activities in Hong Kong may be exempted from taking the relevant local regulatory framework paper, subject to the following conditions and undertakings:

#### Conditions

The SFC may impose conditions on the licence of itinerant professionals to the effect that they (i) shall not carry on Relevant Activities in Hong Kong for more than 30 days in each calendar year; and (ii) shall at all times be accompanied by a licensed person in carrying on Relevant Activities in Hong Kong.

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<sup>11</sup> “Extra CPT” means that you must complete five CPT hours which is a one-off requirement. The additional CPT hours should be taken within six months preceding the submission of the application.

Without compromising investor protection, the SFC may consider removing the chaperoning requirement as mentioned in condition (ii) and impose an alternative condition to the effect that the individual can only provide services that constitute Relevant Activities to professional investors<sup>12</sup>.

### Undertakings

For itinerant professionals subject to conditions (i) and (ii), the principal should provide a written undertaking to the effect that it will assume full responsibility for the supervision of the individual's activities during her/his stay in Hong Kong and ensure s/he will comply with the relevant rules and regulations at all times.

For those subject to the alternative condition, the principal shall provide additional undertakings that it will:

- provide training to the individual in the form of a structured course to ensure that s/he is fully aware of the Hong Kong regulatory framework before s/he commences carrying on Relevant Activities in Hong Kong; and
- comply with the requirements set out under paragraph 3.33(c) of the [“Guidelines for Virtual Asset Trading Platform Operators”](#), whereby it will arrange for at least one approved responsible officer for the Relevant Activities to directly supervise or otherwise be responsible for advising the individual in conducting Relevant Activities in Hong Kong.

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<sup>12</sup> As defined in Part 1 of Schedule 1 to the SFO but does not include any person of a class which is prescribed by Securities and Futures (Professional Investor) Rules.

## Part III

### How to apply for a licence?

#### Chapter 6 Application procedures

##### 6.1 WINGS

6.1.1 WINGS is a common platform for SFC electronic forms and submission services. Designed to facilitate the SFC's paperless licensing processes, the electronic functions for licensing services on WINGS (**WINGS-LIC**) support various licensing related functions, including

- electronic submission of web-based licensing forms for licence applications, notifications and annual returns;
- electronic signing of licensing forms;
- electronic payment of licensing related fees; and
- designated two-way communication channel with licensing case officers of the SFC, ie, WINGS Mail, etc.

More details can be found on [WINGS website](#).

6.1.2 In addition to the website version, the WINGS Mobile App offers an alternative access to WINGS' services. A number of key features have been built in in WINGS Mobile App to facilitate a fully digitalised application process, such as tracking of submission history, electronic payment and WINGS Mail. You can also access your information profile and sign application electronically via the app.

##### 6.2 Completing the [application form](#)

6.2.1 For both corporate and individual applicants, if you wish to apply for a licence, you should submit your online application to the SFC through an "Individual Account" or "sub-account of an Advisory Firm Account" on [WINGS-LIC](#).

6.2.2 In the application forms concerning Platform Operators or responsible officers, the applicants are required to declare that the relevant board of directors has passed a resolution approving the application. It would be acceptable if the board of directors has passed a resolution authorising a specified committee or person to approve the application and that committee or person has so approved the application.

##### 6.3 Submitting the application

6.3.1 Before submitting your application, you should check that you have provided everything that we need to process your application. In particular, you should:

- answer every question in the application form, supplement(s) and questionnaires, where applicable
- properly sign the application; and
- provide all necessary supporting documents.

- 6.3.2 Once your application is accepted, you will receive a WINGS Mail message requesting payment of the required application fee. You should pay the required application fee through the online payment facility on WINGS. Please refer to the table below for the required application fee.

Type of application	Type of activity	Application fee amount
Platform Operator	Types 1, 7	\$4,740 per RA
	Providing a VA service	\$4,740
Licensed representative	Types 1, 7	\$1,790 per RA
	Providing a VA service	\$1,790
Approval to become responsible officer	Types 1, 7	\$2,950 per RA
	Providing a VA service	\$2,950

## 6.4 Responsibilities of the Platform Operator supporting an individual licence application

- 6.4.1 An application by an individual seeking to be licensed as a representative and/or approved as a responsible officer, is made to the SFC jointly by the individual and the Platform Operator to which he/she is, or is proposing to become, accredited. It is the responsibility of the individual to ensure that the information provided in support of his/her application is neither false nor misleading, and the responsibility of the Platform Operator to verify this and to endorse the application.
- 6.4.2 Because the Platform Operator is responsible for verifying the accuracy of the supporting information, the SFC requires that communications concerning any such application are conducted directly between the SFC and the Platform Operator or its professional services provider, if any. This ensures that the information comes from a single source and avoids situations in which an individual applicant provides information that the Platform Operator is unaware of and has not had the opportunity to verify or endorse. This means that Platform Operators must work closely with individual applicants to ensure that they are fully aware of all communications from the SFC and that any information provided to the SFC in support of such applications is neither false nor misleading.
- 6.4.3 The SFC will enter into direct communication with individual applicants only in exceptional circumstances, for example, where the communication concerns a matter of a criminal or regulatory nature in relation to which an individual has a legal obligation or entitlement to maintain confidentiality to the exclusion of the Platform Operator.

## 6.5 Return of application

- 6.5.1 We may return your application if it is incomplete and/or it has unresolved fundamental issues. You may re-submit it later with additional documents and/or information for our re-consideration and further processing. Examples of situations in which we may return your application are:
- (a) You have not applied for the appropriate type of licence or regulated activity.
  - (b) You have not completed the required forms, supplements and questionnaires, or have not provided necessary supporting documents.
  - (c) You have not provided explanations as to why you are fit and proper to be licensed in the light of your “Yes” answer to any question in the following sections of the respective forms or supplements:
    - Disciplinary Actions and Investigations
    - Financial Status
    - Character
    - Mental Health (for individuals only)
  - (d) You do not appear to have met the competence requirements set out in Part III of the [“Guidelines for Virtual Asset Trading Platform Operators”](#). (Note: Paragraphs 3.4 to 3.38 of the Guidelines set out the competence requirements applicable to corporations and individuals respectively for licensing purposes. If there are exceptional circumstances which you would like us to take into account in your application, please provide us with further information.)
  - (e) You indicated that you are required to have an employment visa in Hong Kong to carry out the Relevant Activities but you have not applied for it.
  - (f) You are a director (as defined under Schedule 1 to the SFO and/or section 53ZR of the AMLO) of your proposed accredited principal and only apply to be its licensed representative but not responsible officer.
  - (g) You have not provided sufficient information on your proposed business and operational workflow.
  - (h) You do not have at least two proposed responsible officers who appear to have met the competence requirements (with one of them being fully competent) for the Relevant Activities that you intend to carry on.

## **6.6 Withdrawal of application**

- 6.6.1 You may choose to withdraw your application prior to the approval or refusal of the application by the SFC. In such circumstances, the application fee will not be refunded.

## **6.7 Processing time**

- 6.7.1 The time it takes to process an application may vary depending on a number of factors such as:
- the types of services or products you propose to provide;
  - the adequacy of your internal control measures proposed to be in place;
  - the quality and completeness of your application;
  - the quality of the supporting documents;
  - subsequent changes made to your application concerning, for instance, business scope, ultimate owners, substantial shareholders, responsible officers and MICs;
  - the time taken for individual applicants to obtain Hong Kong employment visas, where applicable;
  - the time taken for capital injection to meet the financial resources requirements;
  - the time taken for other regulatory bodies to respond to our vetting requests, where applicable;
  - your response time to provide any further information requested during the assessment process; and
  - the number of applications we are processing at any particular time.

## **6.8 Refusal of application**

- 6.8.1 We will refuse your application if you do not meet the statutory licensing requirements or you fail to satisfy us that you are a fit and proper person to be licensed. Before we refuse your application, you will be given an opportunity to be heard (section 140 of the SFO and/or section 53ZRS of the AMLO). Any representations that you make will be carefully considered before we reach our final decision. If we refuse your application, you may, within 21 days, apply to the Securities and Futures Appeals Tribunal (section 217 of the SFO) and/or Anti-Money Laundering and Counter-Terrorist Financing Review Tribunal (section 59 of the AMLO) (as the case may be) for a review of our decision.

## **6.9 Approval of application**

- 6.9.1 Once all licensing requirements are met and the SFC is satisfied that you are fit and proper, we may grant you the licence(s) to be a Platform Operator. An electronic approval letter will be sent to you and the person submitting your application via WINGS mail.

- 6.9.2 The approval dates of an individual's licence(s) and accreditation to its principal can be found in [the public register](#) on the SFC web site.

You may refer to [the public register](#) on the SFC web site to confirm that your licence status and related particulars are correctly reflected. Please notify the SFC immediately if there is any discrepancy.

## 6.10 Further guidance for Platform Operators

### Complaints officer and emergency contact person

- 6.10.1 Under paragraph 16.1 of and paragraph 3(b) of Part 1 of Schedule 4 to the ["Guidelines for Virtual Asset Trading Platform Operators"](#), a Platform Operator is required to provide contact details of its complaints officer to handle complaints made to the Platform Operator.
- 6.10.2 Under paragraph 16.1 of and paragraph 3(a) of Part 1 of Schedule 4 to the ["Guidelines for Virtual Asset Trading Platform Operators"](#), a Platform Operator is required to provide contact details of its emergency contact person. For group companies, it is preferable that this person should have sufficient authority and be familiar with the overall affairs of the group.
- 6.10.3 An unlicensed staff member can be nominated as a complaints officer or an emergency contact person of a Platform Operator.

### Notification of financial year end

- 6.10.4 As a Platform Operator, you are required to notify the SFC of your financial year end within one month upon the grant of your licence (section 155(1)(a) of the SFO and/or section 53ZSB(1) of the AMLO).

### Bank account information

- 6.10.5 The SFC will not grant a licence to a Platform Operator applicant unless it has provided details of its bank account information. You are normally not required to provide your bank account details up front when you submit your application. However, such information must be provided to the SFC before your application is approved. You should allow sufficient time for the bank account opening process.

## 6.11 Further guidance for licensed representatives (including responsible officers)

### Responsible officers must be licensed representatives

- 6.11.1 Only licensed representatives can apply for approval to become responsible officers. However, in practice, a person may apply to be a licensed representative and for approval as responsible officer contemporaneously.



### **Accreditation to specified principal**

- 6.11.2 As a licensed representative, you can only act for the Platform Operator to which you are accredited, i.e. your principal, in carrying on the Relevant Activities.

### **Cessation of accreditation**

- 6.11.3 When you cease to act for your principal, the relevant principal should notify the SFC of the cessation within 7 business days after such cessation (section 123(1)(a) of the SFO and/or section 53ZR(2) of the AMLO) through WINGS-LIC.

### **Transfer of accreditation**

- 6.11.4 Upon ceasing to act for your principal, you may apply for a transfer of accreditation through WINGS-LIC within 180 days after the cessation in order to act for another Platform Operator. It takes approximately seven business days to process an application for transfer of accreditation to carry on the same regulated activity and/or VA service for which you were licensed immediately prior to your cessation.

### **Disclosure of warning record**

- 6.11.5 If you have previously received a warning from a regulator (regardless how long the warning was given), you should disclose such a warning record in the application form to enable the SFC to make an assessment on a fully informed basis.
- 6.11.6 If you disclose to your employer (i) the fact that you have previously received a warning letter from the SFC and (ii) the contents of the warning letter, the SFC is of the view that such a disclosure does not breach any secrecy provisions in the SFO.

### **Disclosure of convictions that were spent, dismissed or expunged**

- 6.11.7 If you have a conviction which was subsequently spent, dismissed or expunged and where you wish to maintain confidentiality in relation to such conviction, you may check “No” to relevant questions in the disciplinary actions, investigations and character sections of your application form. However, you are obliged to disclose details of the offence(s) involved and the relevant conviction to the SFC.
- 6.11.8 The protection under the Rehabilitation of Offenders Ordinance (Cap 297) does not apply to proceedings relating to a person’s suitability to be granted a licence. You are therefore required to provide the relevant details in a separate submission, which you must sign, date and send directly to the SFC, within two business days of the date your application is submitted.

## 6.12 Further guidance for substantial shareholders and ultimate owners

6.12.1 A person shall not become or continue to be a substantial shareholder of a Platform Operator, an ultimate owner of a Platform Operator or both, unless the SFC has, on application by that person, given its approval under section 132 of the SFO and/or section 53ZRQ of the AMLO.

6.12.2 Certain substantial shareholders<sup>13</sup> are considered not having a “close link” with the Platform Operator. To streamline the application process, such substantial shareholders may be allowed to provide less information to the SFC<sup>14</sup>. In particular, a “close link” is likely absent if the substantial shareholder:

- alone, does not have a direct or indirect interest in the corporate licence applicant as described in section 6 of Part 1 of Schedule 1 to the SFO;
- together with any of its associates, has a direct or indirect interest in the corporate licence applicant as described in section 6 of Part 1 of Schedule 1 to the SFO;
- is and will be controlled or influenced by other existing or potential substantial shareholder(s); and
- does not and will not have any involvement in the management and operation of the corporate licence applicant.

The above would similarly apply to substantial shareholder applications made in connection with existing Platform Operators under section 132 of the SFO. For details, please refer to relevant sections in Form VA4, Supplement VA1 or Supplement VA2.

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<sup>13</sup> As defined in section 6 of Part 1 of Schedule 1 to the SFO.

<sup>14</sup> This is subject to the SFC’s sole discretion to require additional information and/or documents to be submitted in support of the application.

## 6.13 Required application forms and supplements for applications for new corporate licence

6.13.1 The application forms and supplements required for applications for new corporate licence are listed below.

### New Licence Applications

If you	Please submit via WINGS-LIC
Are a corporation which is not currently licensed and would like to apply for licence(s) under the SFO and/or the AMLO to be a Platform Operator	<ul style="list-style-type: none"> <li>• Form VA1</li> <li>• Forms VA3 (at least 2 responsible officers should be nominated)</li> <li>• Form VA6 (associated entity)</li> <li>• Supplements VA1, VA2 (as appropriate) and VA3</li> <li>• Questionnaire VA1</li> <li>• Application fee</li> </ul>

## Part IV After being licensed

### Chapter 7 Applications to change existing licences

#### 7.1 General

7.1.1 This chapter sets out certain changes that require the prior approval of the SFC. If you are a Platform Operator and intend to make any such changes, you or the person concerned (e.g. the proposed substantial shareholder of a Platform Operator, the proposed ultimate owner of a Platform Operator or both), as well as individual licensees, should lodge an application with the SFC via WINGS-LIC.

#### 7.2 Platform Operators

7.2.1 Changes to the licence(s) of the Platform Operator that require prior approval are listed below. Form VA2 is generally required for these applications. However, for applications concerning substantial shareholders and ultimate owners, Form VA4 should be submitted.

Type of change (relevant SFO and/or AMLO section)	Application fee	Remarks
Modification or waiver of licensing condition  (Section 134 of the SFO)	\$2,000	
Change of financial year end and/or adoption of period exceeding 12 months as financial year  (Section 155(3) of the SFO and/or section 53ZSB(5) of the AMLO)	\$2,000 (for the application made under the SFO)	This is applicable to the Platform Operator as well as its Associated Entities.  If this application is made in conjunction with an application for extension of deadline for submission of audited accounts, it should be made at least one month before the relevant deadline.
Extension of deadline for submission of audited accounts  (Section 156(4) of the SFO and/or section 53ZSC(4) of the AMLO)	\$2,000 (for the application made under the SFO)	This is applicable to the Platform Operator as well as its Associated Entities.  SFC may grant an extension if it is satisfied that there are special reasons for doing so. If the Platform Operator or its Associated Entity anticipates that an extension of the submission deadline may be required, it should submit its application to extend the submission period at least one month before the relevant deadline.
New premises to be used for keeping records or documents  (Section 130 of the SFO and/or section 53ZRR of the AMLO)	\$1,000 (for each of the applications made under the SFO and/or the AMLO)	This application is required for any intended new business address.  The fee is payable on a per application basis regardless of the number of premises proposed in an application.  See also: <a href="#">FAQ (Premises for business)</a>

Type of change (relevant SFO and/or AMLO section)	Application fee	Remarks
		<a href="#"><i>and record keeping</i></a>
<p>Becoming or continuing to be a substantial shareholder of a Platform Operator, an ultimate owner of a Platform Operator or both</p> <p>(Section 132 of the SFO and /or section 53ZRQ of the AMLO)</p>	\$3,000 (for each of the applications made under the SFO and/or the AMLO)	<p>A person (including a corporation) is required to apply for the SFC's approval before s/he can become or continue to be a substantial shareholder of a Platform Operator, an ultimate owner of a Platform Operator or both</p> <p>A person, being aware that s/he became a substantial shareholder of a Platform Operator, an ultimate owner of a Platform Operator or both, without the SFC's prior approval should as soon as reasonably practicable apply to the SFC for approval to continue to be a substantial shareholder of the Platform Operator, an ultimate owner of the Platform Operator or both.</p> <p>The SFC shall refuse this application unless the applicant satisfies the SFC that the corporation will remain fit and proper to be licensed if the application is approved.</p> <p>This fee is payable on a per application basis regardless of the number of substantial shareholders or ultimate owners proposed and the number of Platform Operators concerned in an application.</p> <p>The approval (if granted) will initially be valid for 6 months, within which the intended share transfer(s) should be completed.</p>

### 7.3 Licensed representatives (including responsible officers)

7.3.1 Post-licence applications concerning licensed representatives (including responsible officers) are listed below.

Type of change (relevant SFO section)	Application fee	Remarks
<p>Addition of regulated activity and/or VA service</p> <p>(Section 127(1) of the SFO and/or section 53ZRN of the AMLO)</p>	\$1,790 for each RA and/or for a VA service	
<p>Reduction of regulated activity and/or VA service</p> <p>(Section 127(1) of the SFO and/or section 53ZRN of the AMLO)</p>	\$200 for each RA and/or for a VA service	If you intend to reduce the last regulated activity or VA service for which you are licensed, you are only required to notify the SFC of the intended change. No application fee is payable.

Type of change (relevant SFO section)	Application fee	Remarks
Modification or waiver of licensing condition  (Section 134 of the SFO)	\$2,000	
Addition of accreditation  (Section 122 of the SFO and/or section 53ZRM of the AMLO)	\$200 for each RA and/or for a VA service	
Transfer of accreditation  (Section 122 of the SFO and/or section 53ZRM of the AMLO)	\$200 for each RA and/or for a VA service (for each of the applications made under the SFO and/or the AMLO)	<p>If a licensed representative ceases to be accredited to her/his principal, s/he has 180 days to apply for transfer of accreditation to another corporation before revocation of her/his licence. The SFC has no power to extend this period.</p> <p>However, where the representative re-applies for a licence in respect of the regulated activities and/or VA service for which s/he had been licensed within 3 years after resigning from her/his previous position, s/he will not be required to sit the relevant entry examinations.</p>
Licensed representative becoming responsible officer  (Section 126 of the SFO and/or section 53ZRP of the AMLO)	\$2,950 for each RA and/or for a VA service	Please refer to Chapter 4 (Responsible officers).

## **Chapter 8 Ongoing obligations**

### **8.1 General**

- 8.1.1 Platform Operators and licensed representatives (including responsible officers) must remain fit and proper at all times. They have to comply with all applicable provisions of the SFO and its subsidiary legislation and/or the AMLO as well as the codes and guidelines issued by the SFC. This chapter highlights certain ongoing statutory obligations imposed on Platform Operators, licensed individuals and Associated Entities of Platform Operators.

### **8.2 Availability of responsible officers**

- 8.2.1 The SFO and the AMLO requires that there must be at least one responsible officer ordinarily residing in Hong Kong to supervise the Platform Operator's business of carrying on Relevant Activities. If all responsible officers are out of Hong Kong on a business trip or on leave, the Platform Operator complies with such requirement so long as the responsible officer(s) can be contacted (preferably by telephone) whenever necessary and proper internal controls are in place. However, this should be regarded as an interim measure only and the out of town period of the responsible officers should be reasonable for the proper discharge of their duties.
- 8.2.2 A Platform Operator shall not carry on Relevant Activities for which it is licensed unless it has two Responsible Officers, with at least one of whom shall be an executive director of the Platform Operator, in relation to the Relevant Activities.

### **8.3 Cessation of business**

#### **Platform Operators**

- 8.3.1 The SFC has the power to revoke or suspend your licence (in relation to the Relevant Activities) under section 195(1)(c) of the SFO and/or section 53ZSQ(2)(c) of the AMLO, if you do not carry on the Relevant Activities for which you are licensed.
- 8.3.2 In any event, if you intend to cease to carry on the Relevant Activities, you should notify the SFC as mentioned below, and should also request a revocation, under section 195(1)(d) of the SFO and/or section 53ZSQ(2)(d) of the AMLO, of your licence.
- 8.3.3 Notifications should be made to the SFC through WINGS-LIC of your intended cessation (as well as the related cessations of your licensed individuals) as soon as reasonably practicable and in any event not later than 7 business days before such intended cessation (section 135(1) of the SFO and/or section 53ZRV(1) of the AMLO).
- 8.3.4 If you cease to carry on the Relevant Activities, you are also required to submit audited accounts to the SFC within four months after the date of cessation (see paragraph 8.8.2).

- 8.3.5 Upon cessation of business, you should arrange to return all the funds and/or assets to your clients as soon as practicable.

#### 8.4 Notification by Platform Operators and licensed individuals<sup>15</sup>

- 8.4.1 Apart from notifying the SFC of any intended cessation of business, licensed persons are required to notify the SFC through WINGS-LIC of certain changes in the information that they have provided to the SFC in their initial applications.
- 8.4.2 The changes requiring notification by licensed persons are specified in section 135 of the SFO and Parts 1 to 3 of Schedule 3 to the Securities and the Futures (Licensing and Registration) (Information) Rules and/or Division 7 of Part 5B of the AMLO and Part XVI of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).
- 8.4.3 In the case of entities belonging to the same group of companies, a Platform Operator may make a notification on its behalf and on behalf of other group entities in respect of the same change. The notification should state clearly on whose behalf it is made, and the represented entities should be aware of the notification.

#### 8.5 Notification by directors, substantial shareholders and ultimate owners of Platform Operators

- 8.5.1 A director of a Platform Operator is required to notify the SFC of his/her becoming or ceasing to be a director of the Platform Operator within 7 business days after the event takes place (section 135(6) of the SFO and/or section 53ZRV(3) of the AMLO).
- 8.5.2 A substantial shareholder of a Platform Operator, an ultimate owner of a Platform Operator or both is required to notify the SFC of changes in his/her particulars as detailed in Part 4 of Schedule 3 to the Securities and Futures (Licensing and Registration) (Information) Rules and/or Part 7 of Schedule 4 to the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

#### 8.6 Notification by Associated Entities of Platform Operators

- 8.6.1 An Associated Entity of a Platform Operator is required to notify the SFC within 7 business days of its becoming an Associated Entity and ceasing to be an Associated Entity (section 165 of the SFO and/or section 53ZRW of the AMLO). The particulars required for notification are set out in sections 3 and 4 of the Securities and Futures (Associated Entities – Notice) Rules and/or Schedule 3D to the AMLO and Part XVI of the [“Guidelines for Virtual Asset Trading Platform Operators”](#). Where there is any change in the particulars notified, the Associated Entity shall within 7 business days thereafter notify the SFC of such change through WINGS-LIC.

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<sup>15</sup> For reference, please see the [FAQ \(Compliance with notification requirements\)](#)



- 8.6.2 An Associated Entity is also required to notify the SFC of its financial year end within one month after becoming an Associated Entity (section 155(1)(b) of the SFO and/or section 53ZSB(2) of the AMLO).

## 8.7 Summary of notification requirements

- 8.7.1 Some of the more common change events that require notification are shown in the table below. For details of the notification requirements, you should refer to relevant provisions of the SFO (e.g. sections 123 and 135) and the Securities and Futures (Licensing and Registration) (Information) Rules and/or Division 7 of Part 5B of the AMLO and Part XVI of the [“Guidelines for Virtual Asset Trading Platform Operators”](#). All notifications must be made through WINGS-LIC.

Types of change / events	Applicable to <sup>16</sup>	Notification time limit
Cessation of business	PO, LR	At least 7 business days before the intended cessation of business
Ceased to act as a licensed representative	PO, LR	Within 7 business days
Ceased to act as a responsible officer <sup>17</sup>	PO, RO	Within 7 business days
Change in name	PO, SS, UO	Within 7 business days
	AE	Within 7 business days
Change in business address	PO <sup>18</sup>	At least 7 business days before the intended change in business address
	AE	Within 7 business days
Change in director or his/her particulars	PO	Within 7 business days
	AE	Within 7 business days

<sup>16</sup> PO: Platform Operator; LR: Licensed representative; RO: Responsible officer; SS: Substantial shareholder; UO: Ultimate Owner; AE: Associated Entity

<sup>17</sup> If you cease to act as a responsible officer but remain a licensed representative of your accredited principal for carrying on the same type of regulated activity and/or VA service, please make sure to indicate in the notification to the SFC that you will remain a licensed representative of your accredited principal.

<sup>18</sup> Please note that an intended change in business address will trigger a requirement under section 130 of the SFO and/or section 53ZRR of the AMLO to apply for approval of the new premises for keeping records or documents. The application fee is \$1,000 for each of the applications under the SFO and the AMLO.

Types of change / events	Applicable to <sup>16</sup>	Notification time limit
Change in complaints officer or his/her particulars	PO	Within 7 business days
Change in emergency contact person or his/her particulars	PO	Within 7 business days
Change in share capital or shareholding structure	PO, SS	Within 7 business days
	AE	Within 7 business days
Change in contact information	PO, LR, SS, UO	Within 7 business days
	AE	Within 7 business days
Significant changes in nature of business carried on and types of services provided	PO	Within 7 business days
Significant changes in business plan	PO	Within 7 business days
Changes in Managers-In-Charge of Core Functions (MICs) (including any new appointment and cessation of appointment) <sup>19</sup>	PO	Within 7 business days
Changes in certain particulars of MICs <sup>19</sup>	PO	Within 7 business days
Change in bank accounts	PO	Within 7 business days
	AE	Within 7 business days
Change in Associated Entity or its particulars	PO	Within 7 business days
	AE	Within 7 business days
Change in auditor's name	PO	Within 7 business days
Give notice of a motion to change auditor in a general meeting, etc. (see section 154 of the SFO and/or section 53ZSE of the AMLO)	PO	Within 1 business day
	AE	Within 1 business day

<sup>19</sup> For details of the requirements, please refer to the [FAQ \(Measures for augmenting senior management accountability in platform operators\)](#)

Types of change / events	Applicable to <sup>16</sup>	Notification time limit
Change in executive officer or his/her particulars	AE	Within 7 business days
Change in status of any authorization to carry on any regulated activity or Relevant Activities by authority or regulatory organization in Hong Kong or elsewhere <sup>20</sup>	PO, LR	Within 7 business days
Change in particulars in relation to wallet addresses	PO	Within 7 business days
	AE	Within 7 business days

## 8.8 Submission of audited accounts, etc.

- 8.8.1 Platform Operators and their Associated Entities are required to submit their audited accounts and other required documents within four months after the end of each financial year (section 156(1) of the SFO and/or section 53ZSC(1) of the AMLO).
- 8.8.2 If a Platform Operator ceases carrying on the Relevant Activities for which it is licensed, it should submit to the SFC its audited accounts and other required documents, made up to the date of cessation, not later than four months after the date of the cessation. The same requirement applies to an Associated Entity of a Platform Operator upon its ceasing to be an Associated Entity of the Platform Operator (section 156(2) of the SFO and/or section 53ZSC(2) of the AMLO).

## 8.9 Submission of financial resources returns

- 8.9.1 Platform Operators are required to submit **monthly** financial resources returns to the SFC (paragraph 6.5 of the [“Guidelines for Virtual Asset Trading Platform Operators”](#)).

<sup>20</sup> In regard to registrations with the regulatory authorities in the United States, the focus of the notification requirements is on registrations with the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) only.

## 8.10 Payment of annual fees

8.10.1 Except if the SFC has announced a waiver of the annual licensing fees for a particular period, all licensed persons should pay annual fees within one month after each anniversary date of their licences (section 138(2) of the SFO and/or section 53ZRY(1) of the AMLO). The annual fee amounts are shown in the table below.

Types of intermediary	Types of activity	Annual fee amount
PO	Types 1, 7	\$4,740 per RA
	Providing a VA service	\$4,740
LR (not approved as RO)	Types 1, 7	\$1,790 per RA
	Providing a VA service	\$1,790
LR (approved as RO)	Types 1, 7	\$4,740 per RA
	Providing a VA service	\$4,740

8.10.2 Failure to make full payment of the annual fee before the due date will attract a surcharge on the outstanding amount and possible suspension and revocation of a licence (sections 138(3) and 195(4)(a) and (6) of the SFO, and/or sections 53ZRY(2) and (3) and 53ZSQ(5)(a) and (8) of the AMLO). Details are set out in the table below.

Overdue period	Penalty
Less than 1 month	10% surcharge
Over 1 month but less than 2 months	30% surcharge
Over 2 months but less than 3 months	50% surcharge
Over 3 months but less than 4 months	Suspension <sup>21</sup> of licence
Over 4 months	Revocation of licence

## 8.11 Submission of annual returns

- 8.11.1 Platform Operators and licensed individuals are required to submit annual returns to the SFC through WINGS-LIC within one month after each anniversary date of their licences (section 138(4) of the SFO and/or section 53ZRY(4) of the AMLO).
- 8.11.2 Failure to submit annual return before the due date could result in suspension and revocation of the licence (sections 195(4)(b) and (6) of the SFO and/or sections 53ZSQ(5)(b) and (8) of the AMLO). Details are set out in the table below.

Overdue period	Penalty
Over 3 months but less than 4 months	Suspension <sup>21</sup> of licence
Over 4 months	Revocation of licence

## 8.12 Continuous professional training (CPT)

- 8.12.1 Platform Operators are primarily responsible for planning and implementing a continuous education programme best suited to the training needs of the licensed representatives or relevant individuals they engage. Such programmes should enhance the individuals' industry knowledge, skills and professionalism. The firms should perform due diligence to ensure CPT compliance by the individuals they engage.
- 8.12.2 Licensed individuals are required to complete 10 CPT hours per calendar year. Five of these 10 CPT hours must be on topics directly related to the Relevant Activities.
- 8.12.3 In view of the greater responsibility and accountability placed on responsible officers, they are required to take two additional CPT hours per calendar year on regulatory compliance.
- 8.12.4 Within the 12 months after a person first becomes an LR or RO, he or she must undertake two CPT hours on ethics. Thereafter, that person is required to complete two CPT hours per calendar year on topics relating to either ethics or compliance.
- 8.12.5 Details of CPT requirements for Platform Operators and individuals are set out in paragraph 4.6 to 4.19 of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).
- 8.12.6 In terms of the content, please refer to paragraphs 4.23 and 4.24 of the [“Guidelines for Virtual Asset Trading Platform Operators”](#) for examples. The important point to note is that the training topics must be relevant to the functions to be performed by the person.

<sup>21</sup> Subject to the SFC giving 10 business days' notice.

8.12.7 Further to paragraph 4.21 of the [“Guidelines for Virtual Asset Trading Platform Operators”](#), the taking of online courses will be considered as self-study. Provided that there are independent assessments, such as evaluation or test results, and sufficient records to demonstrate fulfilment and duration of training, they can be counted towards acceptable CPT activities. Those online courses have to be of relevance to the licensees’ functions.

8.12.8 Platform Operators should keep sufficient records on the programmes and the CPT activities undertaken by the individuals for a minimum of three years and be made available for inspection upon request by the SFC. Individuals should also retain their own CPT compliance records for a minimum of three years.

For details, please refer to paragraphs 4.6 to 4.12 of the [“Guidelines for Virtual Asset Trading Platform Operators”](#).

8.12.9 Platform Operators, ROs and LRs are required to confirm (when submitting their annual returns through WINGS-LIC) whether they have complied with the relevant CPT requirements for the previous calendar year.

### **8.13 Provision of services involving virtual assets and robo-advisors by group entities**

8.13.1 Platform Operators are advised to discuss with the SFC before their group entities conduct trading and asset management services involving virtual assets as well as robo-advisory financial services in Hong Kong.

See also the [FAQ \(Compliance with notification requirements\)](#)