

# Intermediaries

## Licence applications

In the quarter, we received 1,784 licence applications<sup>1</sup> comprising 1,737 individuals and 47 corporations, a 0.3% decrease from the previous quarter and 17.6% up from the same quarter last year.

As at 30 June, there were 48,165 licensees and registrants, of which 3,245 were licensed corporations and 113 were registered institutions. During the quarter, the number of new licensees and registrants totalled 2,623<sup>2</sup>, amongst which 2,582 were individuals, and 41 were licensed corporations and registered institutions. Among the licensed corporations approved during the quarter, Type 9 (asset management) regulated activity<sup>3</sup> (RA) accounted for 51% and Type 4 (advising on securities) for 37%. The number of firms licensed for Type 9 (asset management) increased by 11 to 2,096.

## Virtual asset regime launched

In May, we published consultation conclusions on the regulatory requirements for licensed virtual asset trading platform (VATP) operators together with Guidelines for Virtual Asset Trading Platform Operators to provide greater clarity on our expected standards for the new VATP licensing regime introduced under the Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Ordinance 2022 which took effect on 1 June.



Applications for SFC licences<sup>4</sup>

▲ 17.6%

To help the industry better understand the new requirements, we issued a wide range of publications including a Licensing Handbook for Virtual Asset Trading Platform Operators, circulars on the new regime's implementation and transitional arrangements, and frequently asked questions on licensing and conduct matters. To facilitate licence applications, useful materials including online application forms are grouped under a new dedicated webpage on the SFC's website.

Following our announcement of the new regime's commencement at a media briefing in May, we conducted extensive market outreach, including attending interviews and speaking at panel discussions, seminars and webinars organised by InvestHK, industry associations, media outlets and professional firms. More information about our stakeholder engagement efforts can be found in Communications and Education on pages 23-25.



SFC Chief Executive Officer Ms Julia Leung speaks to the Fintech community in Bangkok at an InvestHK event



SFC media stand-up for the launch of the new VATP licensing regime

<sup>1</sup> The figure does not include applications for provisional licences.

<sup>2</sup> Including provisional licensed representatives.

<sup>3</sup> Each licensed corporation may have multiple RA licences.

<sup>4</sup> Change from 30 June 2022 to 30 June 2023. Does not include applications for provisional licences.

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### Anti-money laundering

In May, we issued a circular to inform the industry of key changes we made to our anti-money laundering and counter-financing of terrorism (AML/CFT) guidelines to incorporate provisions and guidance related to the Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Ordinance 2022. These include revisions to the statutory provisions for politically exposed persons and beneficial owners of a trust as well as for the use of recognised digital identification systems. We also added a new chapter on virtual assets. The guidelines were gazetted in May and took effect on 1 June. Our frequently asked questions for AML/CFT were also updated to include information about virtual assets.



**51**  
on-site inspections

### Restriction notice

In June, we issued a restriction notice to Global Group Securities Limited owing to suspected misappropriation of client assets. We considered it desirable in the interest of the company's clients and the investing public to subject the company to the prohibitions imposed by the restriction notice.

### Licenses and registrants

	As at 30.6.2023	As at 31.3.2023	Change (%)	As at 30.6.2022	YoY change (%)
Licensed corporations	3,245	3,254	-0.3	3,261	-0.5
Registered institutions	113	112	0.9	111	1.8
Licensed individuals	44,807	44,928	-0.3	45,161	-0.8
<b>Total</b>	<b>48,165</b>	<b>48,294</b>	<b>-0.3</b>	<b>48,533</b>	<b>-0.8</b>

### Licensing applications

	Quarter ended 30.6.2023	Quarter ended 31.3.2023	Change (%)	Quarter ended 30.6.2022	YoY change (%)
Applications to conduct new regulated activity	6,221	6,084	2.3	5,927	5.0
Applications for SFC licences <sup>^</sup>	1,784	1,790	-0.3	1,517	17.6

<sup>^</sup> Figures do not include applications for provisional licences. During the quarter, we received 891 provisional licence applications compared with 1,025 in the same quarter last year.

### Inspections of licensed corporations

	Quarter ended 30.6.2023	Quarter ended 31.3.2023	Change (%)	Quarter ended 30.6.2022	YoY change (%)
On-site inspections commenced <sup>^</sup>	51	59	-13.6	60	-15.0

<sup>^</sup> Including inspections conducted remotely in light of the COVID-19 pandemic.