

Competence requirements for advising on corporate finance

There are other examination requirements⁴ that apply to those that conduct sponsor work for initial public offerings (IPO) or advise on transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Buy-backs (Codes on Takeovers) under RA 6 (advising on corporate finance).

Example 3 – A Mainland China financial group intends to send Mr C from its Beijing office to work for its Hong Kong office to assist with two corporate finance projects for three weeks. Mr C may choose to apply to be an RA 6 Temp LR or ITP. If he needs to assist in IPO sponsor works or advise on a Codes on Takeovers transaction, he may also need to pass the relevant regulatory examinations.



⁴ Hong Kong Securities and Investment Institute's Licensing Examination for Securities and Futures Intermediaries (HKSI LE) Paper 16 for engaging in sponsor work and HKSI LE Paper 17 for advising on a Codes on Takeovers transaction. See the Guidelines on Competence for details.

The SFC strives to perform its gatekeeping role in the Hong Kong financial markets in an efficient, transparent and consistent manner.

The licensing regime under the Securities and Futures Ordinance provides flexibility for visiting professionals to perform regulated activities in Hong Kong for a licensed corporation. There are various options to suit their circumstances and work. Exemptions from examinations and continuous professional training requirements are also available in certain circumstances.

Visiting professionals may choose under the Securities and Futures Ordinance to either apply for (1) a temporary licence as a licensed representative or (2) a normal licence as an itinerant professional if they only need to conduct regulated activities in Hong Kong for a short period of time.

We will take into account the expected timeframe when processing licence applications for temporary licensed representatives to accommodate the business needs of the applicants.

For more details,



Licensing Handbook



Guidelines on Competence



Quick Reference Guide Series

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SECURITIES AND
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Visiting Professionals

Quick Reference Guide to Licensing Requirements





Licensing options for visiting professionals

Visiting professionals conducting regulated activities (RAs) in Hong Kong for a licensed corporation (LC) for a short period of time can choose to apply for:

- **Temporary licence as a licensed representative (Temp LR)** – for individuals who are regulated by a relevant overseas regulatory body and will visit and conduct RAs in Hong Kong for a period not exceeding three months; or
- **Normal licence as an itinerant professional (ITP)** – for individuals who will repeatedly visit and conduct RAs in Hong Kong for less than 30 days each year.

The choice between a Temp LR and an ITP would depend on:

- the scope of RAs to be conducted in Hong Kong; and
- whether the visiting professional intends to visit Hong Kong multiple times within a year.

Key features and criteria of a Temp LR and an ITP:

	Temp LR	ITP
Licensed role	Licensed representative only	Licensed representative only
RAs that can be conducted	Most RAs ¹	All RAs
In Hong Kong, only act for the accredited LC	Yes ²	Yes
Licence period	Specified in the licensing condition	Continuous
Restrictions on licence period	Not more than three months; and not more than six months in total within 24 months	Not more than 30 days in total within a calendar year
Restrictions on serving retail clients	No, unless the accredited LC is not allowed to serve retail clients	Yes, unless being chaperoned by a licensed person
From overseas group company	Yes, the individuals should be carrying on overseas a similar regulated activity for the regulated overseas group company	Yes
Required to be regulated overseas	Yes ³	Not required
Continuous professional training (CPT) requirement	No	No

¹ Except RAs 3 (leveraged foreign exchange trading), 7 (providing automated trading services), 8 (securities margin financing) and 9 (asset management). See the Licensing Handbook for details.

² See the Licensing Handbook for details about Temp LR accredited to a temporary LC.

³ If not directly authorised by the overseas regulatory body, the individuals can instead provide certain specific confirmations that they are subject to the overseas regulatory body's oversight.

Examples of Temp LR and ITP

Example 1 – An international asset management group plans to arrange Ms A from its New York office to visit its Hong Kong office. She will participate in investment-decision making meetings of a fund for its Hong Kong office. She will need to make a few trips to the Hong Kong office for two days each to attend these meetings. As Ms A will require a licence to conduct RA 9 and will make multiple visits to Hong Kong, it would be more appropriate for her to apply to be an ITP.

Example 2 – Ms B from the Paris office of a global financial group plans to visit its Hong Kong office to help distribute a newly issued bond in Hong Kong. She will only need to visit Hong Kong for one week for this project. As Ms B requires a licence to conduct RA 1 (dealing in securities) and will need to visit Hong Kong only once, she can consider applying to be a Temp LR.

General competence requirements

Whilst applicants for Temp LR or ITP have to satisfy the same competence requirements as normal licensed representatives, they may enjoy certain exemptions from examinations as briefly set out below:

Temp LR	ITP
Full exemption from recognised industry qualifications (RIQ) and local regulatory framework paper (LRP) requirements.	Conditional exemption from LRP requirement - an undertaking from the principal LC in Hong Kong is required