

1 June 2018

Circular to intermediaries on compliance with notification requirements

This circular serves to remind intermediaries of the notification requirements under the Securities and Futures (Licensing and Registration) (Information) Rules (**Information Rules**) under which intermediaries are required to notify the Securities and Futures Commission (SFC) of any significant changes in the nature of their business and the types of service they provide¹.

Intermediaries are expected to fully comply with the Information Rules regardless of the nature of the significant change in their business. Moreover, they are encouraged to discuss their plans with the SFC at an early stage to avoid adverse regulatory consequences.

Robo-advisory services and crypto-assets²

Along with the development of new financial technologies (Fintech), the SFC has noticed a growing trend of intermediaries introducing changes to their business activities to provide trading and asset management services involving crypto-assets as well as robo-advisory financial services. The SFC views these activities as significant changes which trigger the notification requirement.

Intermediaries are advised to discuss these activities with the SFC before engaging in them. In addition, where crypto-assets business is conducted in Hong Kong by other entities in the same group as an intermediary, the intermediary is encouraged to inform the SFC as soon as reasonably practicable so that the SFC may assess the potential impact of the group's crypto-assets business on the intermediary.

**Licensing Department
Intermediaries Division
Securities and Futures Commission**

¹Section 4 and Schedule 3 to the Information Rules. Please also refer to our circular dated 11 May 2015 entitled "Circular to Intermediaries Regarding Compliance with Notification Requirements".
(<http://www.sfc.hk/edistributionWeb/gateway/EN/circular/intermediaries/licensing/openFile?refNo=15EC27>).

² Crypto-assets include cryptocurrencies, funds investing in cryptocurrencies and related products, cryptocurrency futures contracts and structured products.