



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

New Measures Enhancing Licensing Process

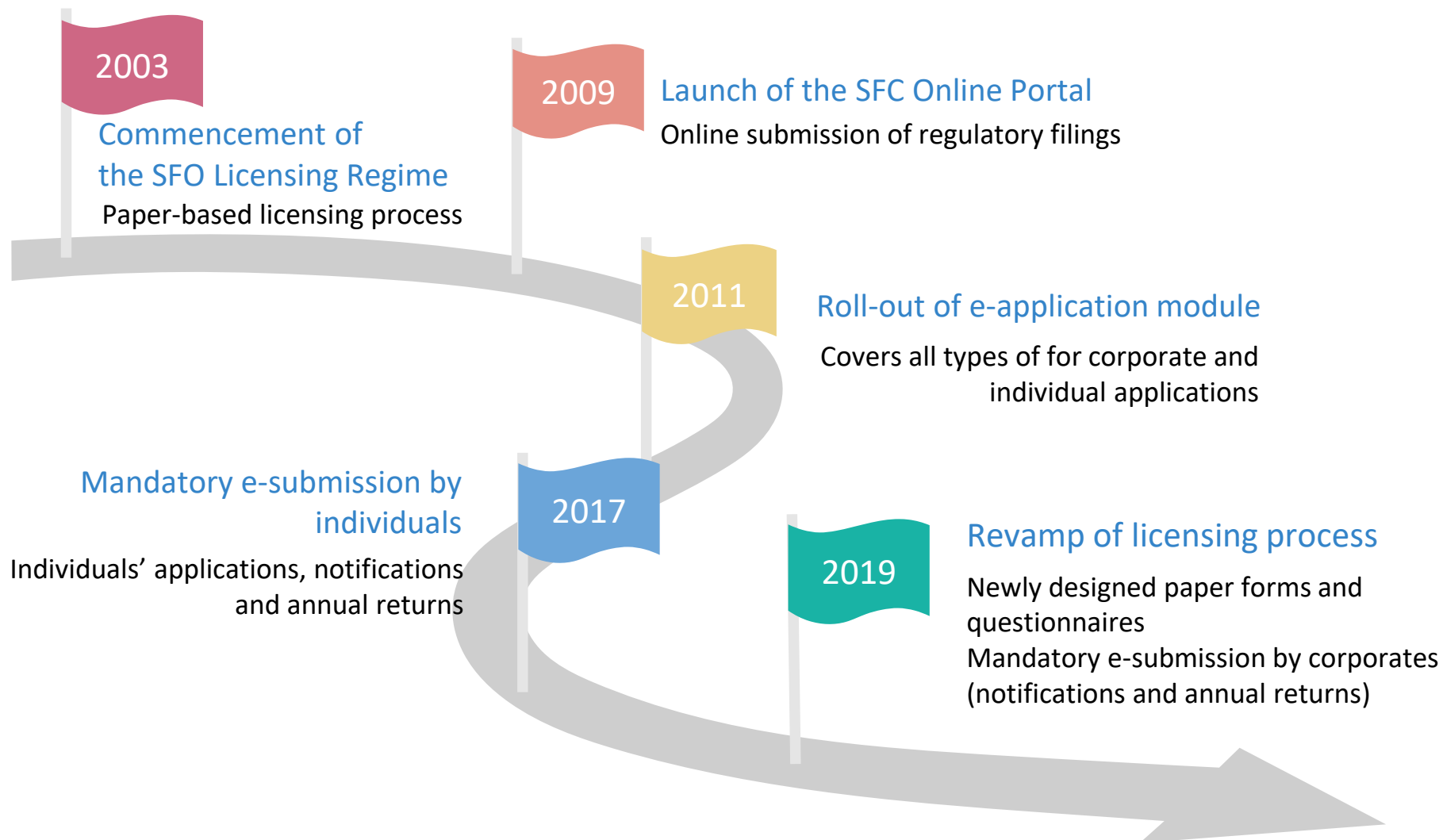
Licensing, Intermediaries

Agenda

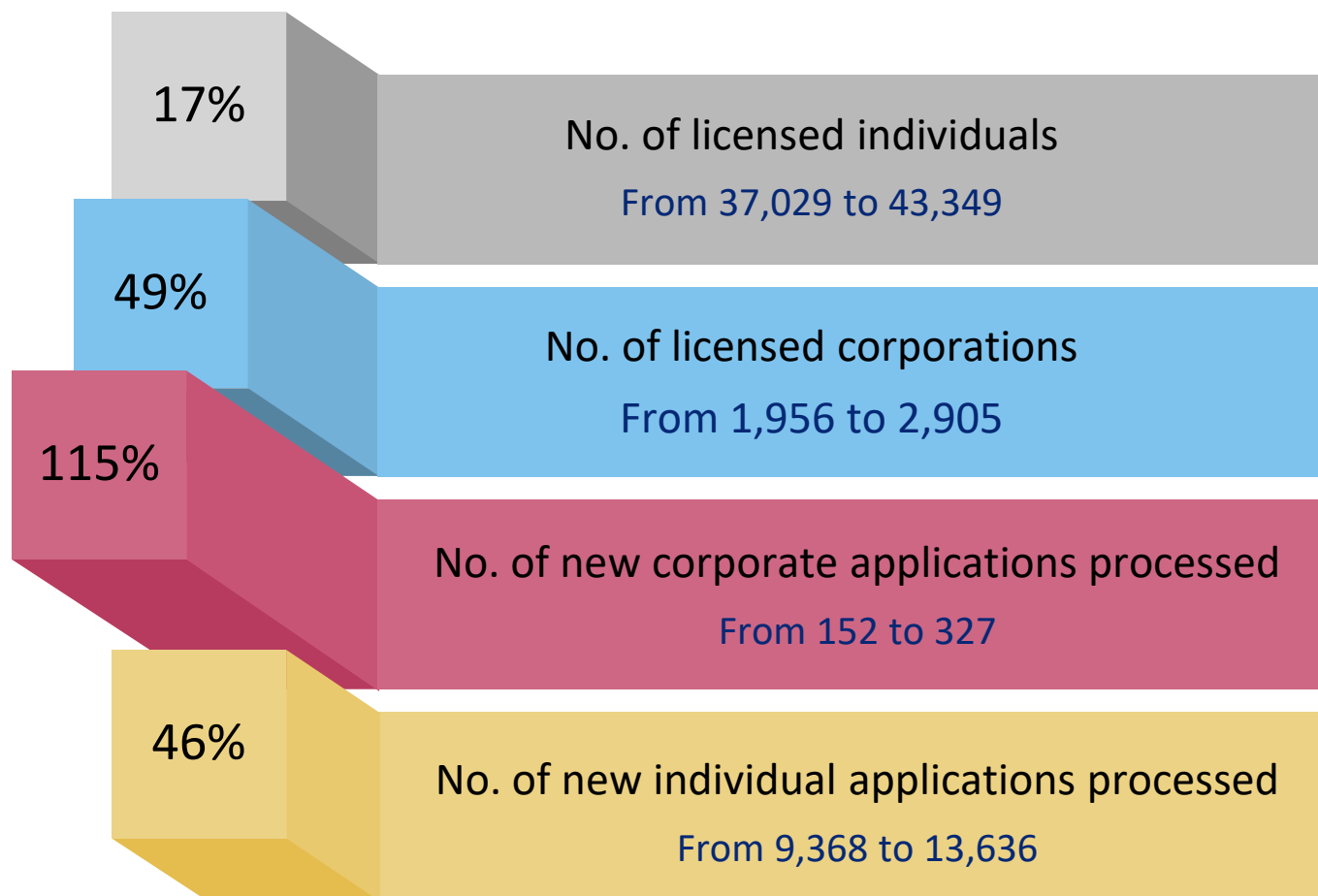
- **Enhanced Licensing Process**
- **Highlights of New Licensing Forms and Handbook**
- **Online Portal Demonstration**
- **Q&A**

Enhanced Licensing Process

Evolution of licensing process



Highlights of licensing activities in past five years



* - Comparison of licensing statistics for the period ended Dec 2013 and Dec 2018

Complex and fast changing environment

- **Some applicants are getting bigger – more overseas enterprises with complex group structures**
- **Some applicants are getting smaller – individual controllers who has no prior financial service experience**
- **Inter-connectedness of fit and proper status of corporate applicants and their controlling shareholders**
- **Increased complexity of market innovation and applicants' business models and operational modes**
- **Higher expectations from our stakeholders on consistency, transparency and efficiency of our gate-keeping function**

Overview of measures to enhance our process

- **Revamp licensing forms to front-load the collection of relevant and risk-specific information**
- **Provide more guidance on our requirements and expectations to the industry in the new version of the Licensing Handbook**
- **Extend mandatory online submission of notifications and annual returns to LCs and RIs**
- **Issue electronic approval letters to individual licence applicants and their employers**
- **Require licensees to confirm whether they have complied with CPT requirements in last calendar year**

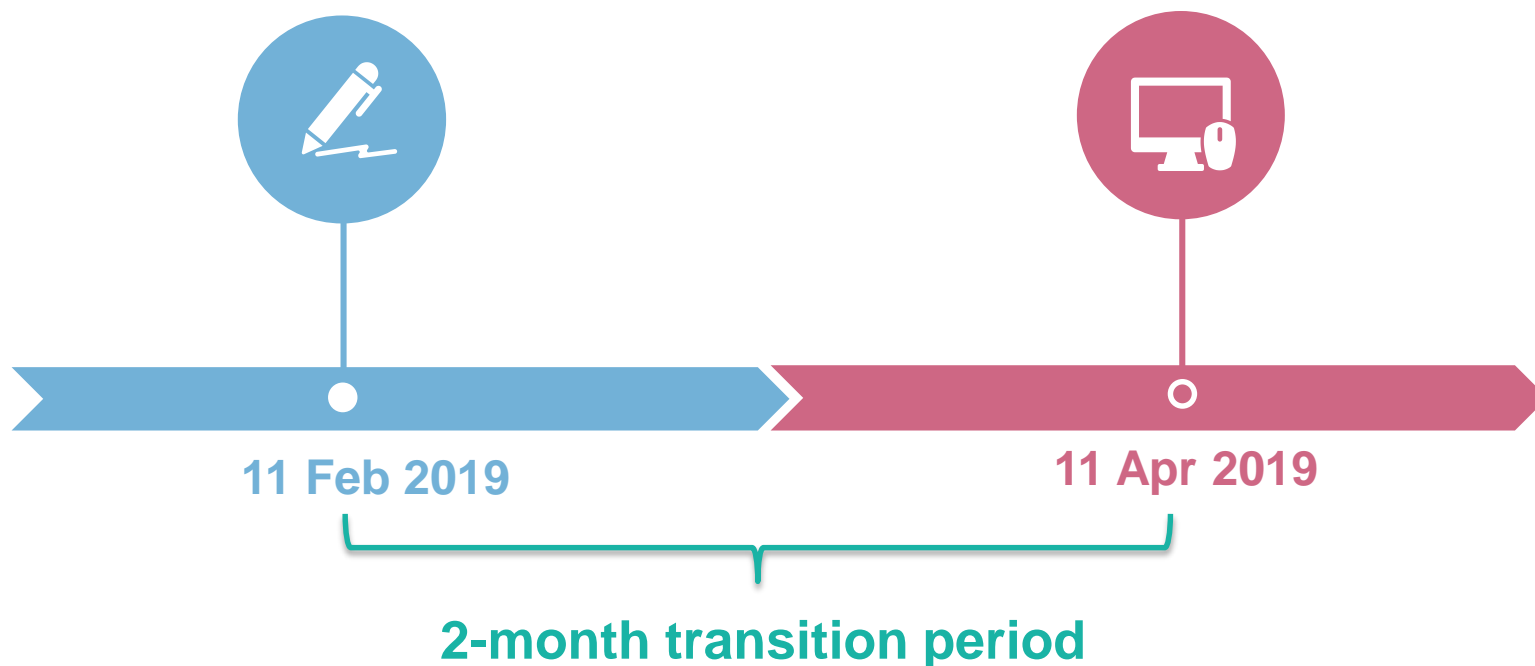
New licensing forms

- **User-centric designed with standardised structure, clear instructions and navigation guides**
- **Collect specific information relevant to fitness and properness assessment with focus on major risk elements**
- **Develop business profile and internal controls self-assessment questionnaires enabling identification of regulatory issues at earlier stage**
- **Design dedicated forms for each specific type of users**

Forms	Designed for
A	Corporate licence applicants
B	Existing licensed corporations
C	Registered institution applicants and existing registered institutions
D	Substantial shareholder applicants
E	Approved substantial shareholders
F	Associated entities of intermediaries

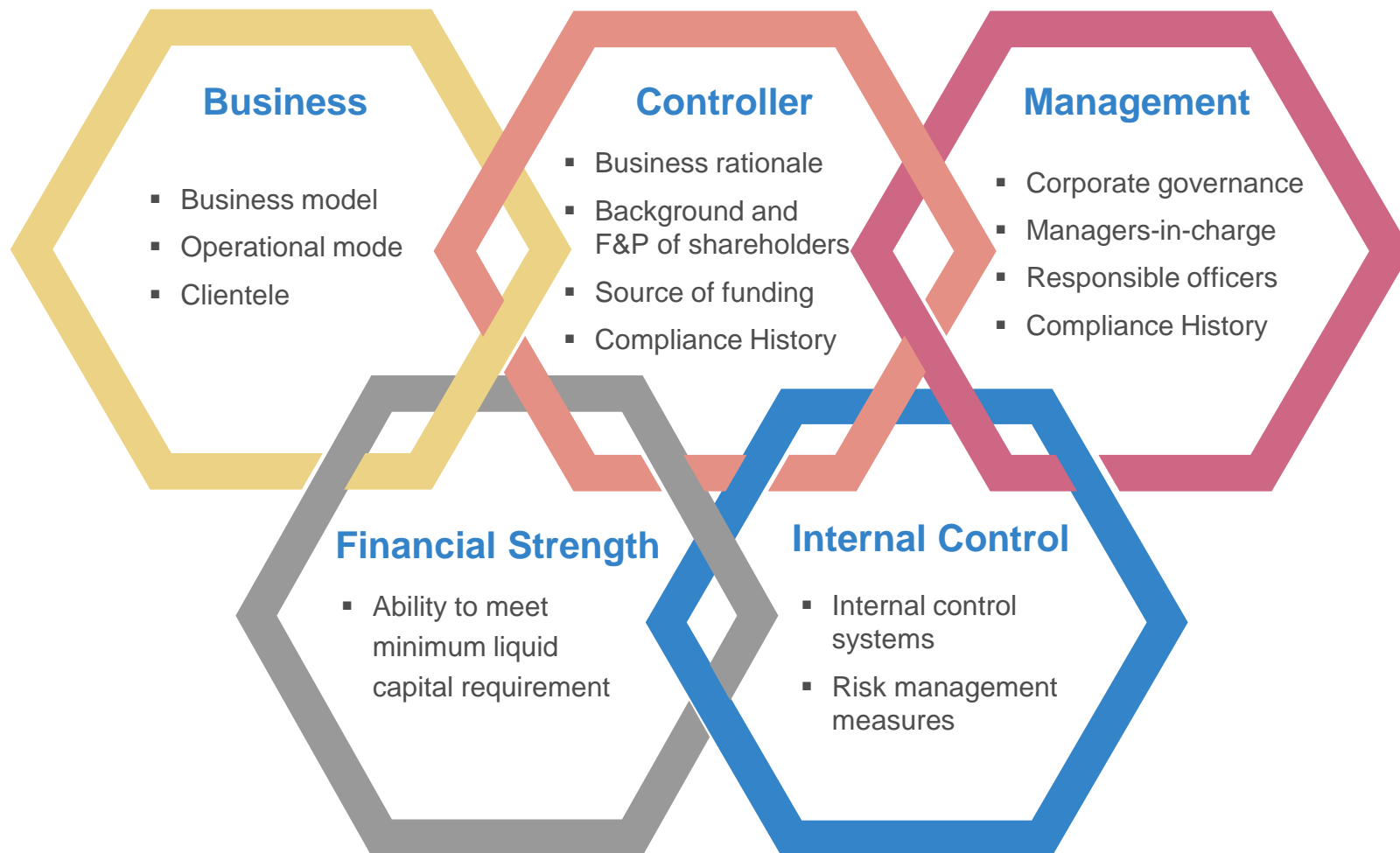
Transition arrangement

- Effective date of new licensing forms
- E-submission of corporate notifications and annual returns (Optional)
- No longer accept old licensing forms
- E-submission for corporate notification and annual returns (Mandatory)




Highlights of New Licensing Forms & Handbook

Key risk elements of corporate applicants



Streamlining information required for certain substantial shareholder applicants

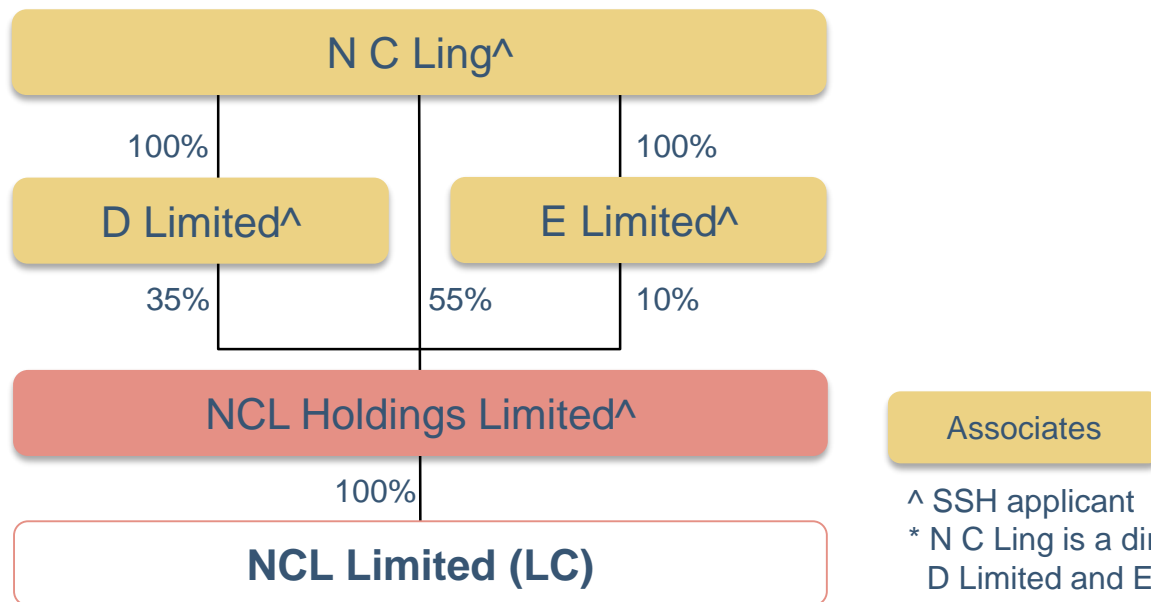
- Apply the “close-link” concept to substantial shareholder (**SSH**) applications
 - SSH applicants without a close link to the LC are allowed to provide less information to the SFC
-  **Basic information on identity in the relevant supplements are still required**

Streamlining information required for certain substantial shareholder applicants (2)


- SSH applicants will not be considered to have a close link to the licensed corporation / licensed corporation applicant (LC) if they:
 - ▶ alone, do not have a direct or indirect interest in the LC as described in section 6 of Part 1 of Schedule 1 to the SFO;
 - ▶ together with any of the associates, have a direct or indirect interest in the LC as described in section 6 of Part 1 of Schedule 1 to the SFO;
 - ▶ are and will be controlled or influenced by another SSH(s) (including SSH applicant(s)) of the LC; **AND**
 - ▶ do not and will not have any involvement in the management and operation of the LC.

Streamlining information required for certain substantial shareholder applicants (3)

Illustrative example



^ SSH applicant
 * N C Ling is a director of D Limited and E limited.

Assessment	D Limited	E Limited
Alone, will not be regarded as SSH?	X	✓
Together with any of the associates, will be regarded as SSH?		✓
Whether it is and will be controlled or influenced by another SSH?		✓
Whether it does not and will not have any involvement in the management and operation of the LC?		✓
 Non-close link to the LC?	X	✓

Streamlining information required for certain substantial shareholder applicants (4)

- In the new Supplement (i.e. Supplement A and Supplement B), SSH applicants are required to clearly indicate whether they have a close link to the LC



Supplement

A

Information on Corporation

Specified under section 402 of the Securities and Futures Ordinance ("Ordinance") (Cap 571)



Supplement

B

Personal Information

Specified under section 402 of the Securities and Futures Ordinance ("Ordinance") (Cap 571)

- A substantial shareholder applicant that has a "close link" to the licensed corporation(s)/licensed corporation applicant(s) (see note 2 of the Instructions)
- A substantial shareholder applicant that does not have a "close link" to the licensed corporation(s)/licensed corporation applicant(s) (see note 2 of the Instructions)

Contact person regarding any queries on this supplement	<input type="checkbox"/> A corporate director of a licensed corporation applicant	
	<input type="checkbox"/> A corporate director of a substantial shareholder/ substantial shareholder applicant	
	English/Chinese name	
	Business title/Firm name	
	Relationship with the corporation providing information	
Mobile number	E-mail address	

Contact person regarding any queries on this supplement	<input type="checkbox"/> A director of a substantial shareholder/substantial shareholder applicant	
	English/Chinese name	
	Business title/Firm name	
	Relationship with the individual providing information	
	Mobile number	E-mail address

Streamlining information required for certain substantial shareholder applicants (5)

- SSH applicant without any close link to the LC is not required to complete **the following information** in Supplement A and B:
 - ▶ licence record;
 - ▶ disclosure; and
 - ▶ director information of corporate SSH applicant

Supplement A

Completion Guidelines

Please fill in the relevant parts of this supplement which are applicable to you:

Part	A substantial shareholder applicant that <u>has</u> a "close link" to the Licensed Corporation(s)/Licensed Corporation Applicant(s) (see note 2 of the Instructions)	A substantial shareholder applicant that <u>does not have</u> a "close link" to the Licensed Corporation(s)/ Licensed Corporation Applicant(s) (see note 2 of the Instructions)	A corporate director of a licensed corporation applicant/substantial holder/substantial shareholder applicant*
I	✓	✓	✓
II	✓	✓	✓ (Section 3 only)
III	✓		✓
IV	✓		
V	✓		✓
VI	✓		
VII	✓	✓	✓

* Not applicable to a corporate director of a substantial shareholder/substantial shareholder applicant that does not have a "close link" to the Licensed Corporation(s)/Licensed Corporation Applicant(s) (see note 2 of the Instructions).

Supplement B

Completion Guidelines

Please fill in the relevant parts of this supplement which are applicable to your role(s):

Part	A substantial shareholder applicant that <u>has</u> a "close link" to the Licensed Corporation(s)/Licensed Corporation Applicant(s) (see note 2 of the Instructions)	A substantial shareholder applicant that <u>does not have</u> a "close link" to the Licensed Corporation(s)/ Licensed Corporation Applicant(s) (see note 2 of the Instructions)	A director of a licensed corporation applicant/substantial shareholder applicant*
I	✓	✓	✓
II	✓		✓
III	✓	✓	
IV	✓		✓
V	✓		✓
VI	✓	✓	✓

* Not applicable to an individual director of a substantial shareholder/substantial shareholder applicant that does not have a "close link" to the Licensed Corporation(s)/Licensed Corporation Applicant(s) (see note 2 of the Instructions).

Adding clarity on disclosure questions

- Refine disclosure questions requiring applicants to disclose investigations, disciplinary actions and civil litigation against them
- Place a particular emphasis on matters which are more recent or significant
 - ▶ Setting a coverage period of **past five years** for disclosure of investigations and actions taken by regulatory or professional bodies
 - ▶ Refining the coverage period for disclosure of civil litigations from past ten years to **past five years**
 - ▶ Confining the **nature of the disclosure of civil litigations** to those
 - ❖ relating to fraud, dishonesty, misfeasance or provision of financial services, etc.;
 - ❖ in which the person being a defendant or respondent only
 - ▶ **Refining the threshold for disclosure of civil litigations in relation to provision of financial services** by a corporate as a percentage of its shareholders' fund or where cases that are disclosed in audited financial statements

Self-assessment questionnaires

Objective:

- Obtain information about corporate applicants' business profiles and confirmation of internal controls policies and procedures they have in place
- Serve as self-assessment tool for corporate applicants to match their business profiles with regulated activities types and evaluate the soundness of their risk management and controls

Types of questionnaires

- Questionnaire A - General Business Profile and Internal Control Summary
 - ▶ Applicable to **all types of business activities**
- Questionnaire B - Specific Business Profile and Internal Control Summary
 - ▶ Asset management
 - ▶ Securities or futures brokerage
 - ▶ Securities margin financing
 - ▶ Electronic trading or automated trading services

Self-assessment questionnaires (2)

- **Questionnaire A – to be completed by corporate applicants (including existing licensees) when applying for the following applications:**
 - ▶ New corporate licence
 - ▶ Addition of regulated activity
 - ▶ Change of licensing condition
 - ▶ Approval as substantial shareholder (under specific circumstances)
- **Questionnaire B – to be completed by corporate applicants (including existing licensees) engaging in one or more of the four specific activities**

Self-assessment questionnaires

– Questionnaire A



General Business Profile and Internal Control Summary

Specified under section 402 of the Securities and Futures Ordinance ("Ordinance") (Cap 571)

Name of licensed corporation/ licensed corporation applicant	English	
	Chinese	
CE number (if applicable)		
Contact person regarding any queries on this questionnaire	English/Chinese name	
	Business title/Firm name	
	Relationship with the applicant	
	Mobile number	E-mail address

Questionnaire Index

A

Part	Details
I	Business Profile
II	Corporate Governance
III	Risk Management
IV	Operational Control and Review
V	Know Your Client ("KYC") and Client Onboarding
VI	Managing Conflicts of Interest
VII	Safeguarding of Client Assets
VIII	Compliance
IX	Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CTF")
X	Personnel and Training
XI	Declaration

Self-assessment questionnaires

– Questionnaire A (2)

Part I: Business Profile

Please specify the business activity you propose to carry out:

Business Activity 1	
Business Activity 2	
Business Activity 3	

	Business Activity 1	Business Activity 2	Business Activity 3
1 Please indicate the types of your clients.			
a) your group companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) retail clients			
i) Hong Kong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) corporate professional investors			
i) Hong Kong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) institutional professional investors			
i) Hong Kong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) individual professional investors			
i) Hong Kong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Please indicate the geographical location of your overseas clients.			
a) Mainland China	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Asia (other than Mainland China)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Europe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) United States	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part IV: Operational Control and Review

Operational control

	Yes	No*	N/A [†]
1 Do you have any written policies and control procedures to ensure that your operations are regularly reviewed so that your risk of losses resulting from fraud, errors and omissions, and the following operational and compliance matters are adequately managed?			
a) physical and functional segregation of incompatible duties (e.g. trade, settlement, risk management and accounting)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) maintenance and timely production of proper and adequate accounting and other records, and ability to detect fraud, errors and omissions, and other non-compliance with external and internal requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) security and reliability of accounting and other information (e.g. exception reports which should accurately highlight unusual activities and facilitate the detection of fraud, errors and significant trends)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) maintenance of effective record retention policies which enable you, your auditors and the Commission to carry out routine and ad hoc comprehensive reviews or investigations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Do you have any written policies and procedures to ensure that			
a) management of information, both in physical and electronically stored form, is assigned to qualified and experienced staff member(s);	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) your operating and information management systems meet your needs and operate in a secure and adequately controlled environment;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) information management reporting requirements are clearly defined to ensure the adequacy and timeliness of production of required internal and external reports including those required by relevant regulatory and self-regulatory bodies;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) key components of the information management system design and implementation programme are adequately documented and regularly reviewed for effectiveness; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) how often will you perform such review?			
ii) who will be responsible for performing the review? (Please specify title and name if available.)			

Self-assessment questionnaires

– Questionnaire B



Questionnaire

B

Specific Business Profile and Internal Control Summary

Specified under section 402 of the Securities and Futures Ordinance ("Ordinance") (Cap 571)

Completion Guidelines

Name of licensed corporation/ licensed corporation applicant	English	
	Chinese	
CE number (if applicable)		
Please tick "✓" the business activity(ies) that you propose to carry out		
<input type="checkbox"/> Asset management <input type="checkbox"/> Securities or futures brokerage <input type="checkbox"/> Securities margin financing <input type="checkbox"/> Electronic trading or automated trading services		
Contact person regarding any queries on this questionnaire	English/Chinese name	
	Business title/Firm name	
	Relationship with the applicant	
	Mobile number	E-mail address

Details	Parts	V Declaration
Asset Management	I	
Securities or Futures Brokerage	II	
Securities Margin Financing	III	
Electronic Trading or Automated Trading Services	IV	

Self-assessment questionnaires

– Questionnaire B (2)

Part I: Asset Management

Section 1: Business Profile

	<u>Yes</u>	<u>No</u>
Asset management activities		
1.1 Please indicate whether you will be given full discretion in making investment decisions in the management of		
a) a collective investment scheme ("fund"); and	<input type="checkbox"/>	<input type="checkbox"/>
b) a discretionary account.	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Please indicate whether you will manage		
a) a public fund;		
i) SFC-authorized fund	<input type="checkbox"/>	<input type="checkbox"/>
ii) fund authorised or approved in other jurisdictions	<input type="checkbox"/>	<input type="checkbox"/>
b) a private fund;		
i) hedge fund	<input type="checkbox"/>	<input type="checkbox"/>
ii) private equity and venture capital fund	<input type="checkbox"/>	<input type="checkbox"/>
iii) others, please specify:	<input type="checkbox"/>	<input type="checkbox"/>
c) a pension fund;	<input type="checkbox"/>	<input type="checkbox"/>
d) a real estate investment scheme; and	<input type="checkbox"/>	<input type="checkbox"/>
e) a discretionary account.	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Please indicate whether you will be responsible for the overall operation in the management of the portfolio that you will manage.	<input type="checkbox"/>	<input type="checkbox"/>
1.4 Please indicate the geographical distribution of the target investors of the funds that you will manage.		
a) Hong Kong	<input type="checkbox"/>	<input type="checkbox"/>
b) Mainland China	<input type="checkbox"/>	<input type="checkbox"/>
c) Asia (other than Hong Kong and Mainland China)	<input type="checkbox"/>	<input type="checkbox"/>
d) Europe	<input type="checkbox"/>	<input type="checkbox"/>
e) United States	<input type="checkbox"/>	<input type="checkbox"/>

Section 2: Internal Controls

	<u>Yes</u>	<u>No*</u>	<u>N/A*</u>
Asset management activities			
<u>Choice of investment and performance review</u>			
2.1 Do you have any written policies and control procedures to ensure that transactions are carried out on behalf of each fund and discretionary account in accordance with the terms as set out in the constitutive document of a fund or discretionary client agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 How often will you review the performance of each fund that you will manage?			
2.3 How often will you review the performance of each discretionary account that you will manage against benchmark?			
2.4 Who will be responsible for making investment decisions? (Please specify title and name if available.)			
a) investment committee, please specify the members of the committee:	<input type="checkbox"/>		
b) chief investment officer	<input type="checkbox"/>		
c) individual fund or portfolio managers	<input type="checkbox"/>		
d) others, please specify:	<input type="checkbox"/>		
<u>Order execution and allocation</u>			
2.5 Do you have any written policies and control procedures to ensure that			
a) trade orders are executed on the best available terms;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) all orders are allocated fairly and preferential allocations are prohibited; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Self-assessment questionnaires

– Questionnaire B (3)

Yes No* N/A*

2.24 Do you have any written policies and control procedures to ensure that, where you distribute a fund to your clients,

- a) your clients will be informed, prior to or at the point of entering into the transaction, whether or not you are independent and the bases for such determination; and
- b) appropriate disclosure will be made to your clients in respect of any monetary and non-monetary benefits that you will receive?

2.25 Who will be responsible for overseeing your marketing and fund distribution activities? (Please specify title and name if available.)

Supplementary information

* Where the answer to any question above is "No", please describe in detail in the space provided below any alternative or compensating controls which can meet the same objective as the controls mentioned in the question.

Where the answer to any question above is "N/A", please explain in the space provided below why the question is not applicable.

Part V: Declaration

We:

- **Declare** that all the information provided in this questionnaire and any associated documentation is complete, true and correct.
- **Understand** that providing false or misleading information in, or in support of this questionnaire could be an offence under section 383 and/or 384 of the Ordinance.
- **Understand** that the Commission may take criminal and/or disciplinary action against a person who has made a false or misleading representation in, or in support of, this questionnaire.
- **Understand** that if any information contained in this questionnaire, or any associated documentation changes prior to the Commission making a decision in respect of any relating application, we should notify the Commission in writing immediately of the changes.
- **Understand** that the Commission may make such enquiries and seek such further information as it thinks appropriate.

(To be signed by two directors* or persons authorised by the board of directors of the corporation.)

For and on behalf of:

Name of corporation applying for a licence/licensed corporation

Name of director/person authorised by the board of directors**

Signature

Date

Name of director/person authorised by the board of directors**

Signature

Date

* Can be signed by one director if the corporation has only one director.

** Delete where not applicable.

Focusing on financial soundness

- **Seek additional information to assess the financial soundness of a corporate applicant**
 - ▶ 6-month operating expenses projection
 - ▶ More detailed liquid capital computation from corporate licence applicants
 - ▶ Require thinly capitalised corporate to provide funding plan demonstrating compliance with regulatory capital requirement



Help corporate applicants plan for managing the risk of failing to meet the regulatory capital requirements shortly after being licensed

Focusing on financial soundness (2)

■ For new corporate licence applicants, section 15.2 of Part V of **Form A** requires them to provide:

- ▶ Projection of paid-up capital and liquid capital as of the date immediately prior to the approval of the application
- ▶ Projection of total major operating expenses incurred during the first six months after the approval of the application
- ▶ Updated financial information in **Supplement D** prior to the final approval of the application
- ▶ Funding plan if excess liquid capital immediately prior to the approval of the application < projected total major operating expenses incurred during the first six months after the approval of the application

Please provide a projection of your (i) paid-up capital; (ii) liquid capital; and (iii) total major operating expenses incurred during the first six months after the approval of the current application, if granted.

Projection of paid-up capital and liquid capital as of the date immediately prior to the approval of the current application, if granted:

Details	(HK\$'000)
Paid-up capital	█
Liquid capital computation	
Total liquid assets	█
Total ranking liabilities	█
Liquid capital (Total liquid assets minus total ranking liabilities)	█

Projection of total major operating expenses incurred during the first six months after the approval of the current application, if granted:

Details	(HK\$'000)
Office rental and utilities	█
Salary and staff benefits	█
Others, please specify: █	█
Total	█

You are required to provide the updated financial information via Supplement D prior to the approval of the current application, if granted. If your excess liquid capital (immediately prior to the approval of the current application, if granted) cannot cover the projected total major operating expenses incurred during the first six months after the approval of the current application, if granted, you are required to provide a funding plan* to demonstrate that you will be able to meet the minimum capital requirement under the Securities and Futures (Financial Resources) Rules.

* The funding plan should set out the sources and size of funding support available to you, being supported by proper documentation of liquidity facilities and commitments by the funding provider(s).

Focusing on financial soundness (3)

- For existing licensees applicants, section 1.5 & 1.7 of Part I, 3.5 & 3.7 of Part III, of **Form B** require them to provide:

- ▶ Actual figure of paid-up and liquid capital as at the date of the form
- ▶ Projection of paid-up and liquid capital as at six months after the approval of the application
- ▶ Updated financial information in **Supplement D** prior to the final approval of the application
- ▶ Funding plan if there would have projected deficiency in liquid capital during the first six months after the approval of the application

Please provide the following information on your paid-up capital and liquid capital.

Details	Actual figure as at the date of this form (HK\$'000)	Projected figure as at six months after the approval of the current application, if granted (HK\$'000)
Paid-up capital		
Liquid capital computation		
Total liquid assets		
Total ranking liabilities		
Liquid capital		
Required liquid capital		
Excess/(deficiency) in liquid capital		

You are required to provide an updated financial information via Supplement D prior to the approval of the current application, if granted. If you have projected deficiency in liquid capital during the first six months after the approval of the current application, if granted, you are required to provide a funding plan* to demonstrate that you will be able to meet the minimum capital requirement under the Securities and Futures (Financial Resources) Rules.

* The funding plan should set out the sources and size of funding support available to you, being supported by proper documentation of liquidity facilities and commitments by the funding provider(s).

Focusing on financial soundness (4)

- Corporate licence applicant is required to provide a detailed liquid capital computation in [Supplement D](#)



Supplement D

Bank Accounts and Financial Information

Specified under section 402 of the Securities and Futures Ordinance ("Ordinance") (Cap 571)

Name of corporation	English	
	Chinese	
CE number (if applicable)		
Your role(s) (You may select more than one item)	<input type="checkbox"/> A corporation applying for a licence under section 116(1) of the Ordinance	
	<input type="checkbox"/> A licensed corporation applying for addition of regulated activity under section 127(1) of the Ordinance	
	<input type="checkbox"/> A licensed corporation applying for change of licensing condition under section 134(1) of the Ordinance	
Contact person regarding any queries on this supplement	English/Chinese name	
	Business title/Firm name	
	Relationship with the corporation	
	Mobile number	E-mail address

Part II: Liquid Capital and Balance Sheet

Section 2: Details of Financial Information		Amounts (in HK\$'000)	
		Liquid Capital	Balance Sheet
As at (DD/MM/YYYY):			
Assets			
	Cash at banks and in hand		
	Proprietary positions in listed securities		
	Amounts receivable from related parties		
	Other receivables and assets		
	Fixed assets		
	Total liquid assets		
	Total assets		
Liabilities			
	Bank loans and overdrafts		
	Amounts payable to shareholders and other related parties		
	Other payables and liabilities		
	Ranking liabilities relating to financial adjustments		
	Total ranking liabilities		
	Total liabilities		
	*Liquid capital		
	**Net assets/(liabilities)		
Shareholders' equity:			
	Share capital***		
	Share premium (where applicable)		
	Other reserves		
	Retained profits/losses		
	Shareholders' equity		
	Required liquid capital		
	Excess/(deficiency) in liquid capital		

* Total liquid assets minus total ranking liabilities

** Total assets minus total liabilities





*** Please provide supporting document(s) of your share capital (for example, the Companies Registry record(s) or share certificate(s))

Major updates to Licensing Handbook

- **Further guidance on**
 - ▶ Fintech, including SFC Regulatory Sandbox, virtual asset managers and platforms, ICO and Bitcoin Futures
 - ▶ Licensing requirement of private equity and venture capital firms
 - ▶ Exercise of discretionary investment authority required for Type 9 regulated activity
 - ▶ Exchange participants are expected to have at least two ROs locally available at all times to directly supervise its brokerage business
 - ▶ Requirement on relevant industry experience for responsible officers; relating to asset management experience, technology-related experience, and dormant firms
 - ▶ Dual accreditations of ROs (in non-group LCs)
 - ▶ ROs in name only and not having any actual duties
- **Alignments with new licensing forms**

Online Portal Demonstration

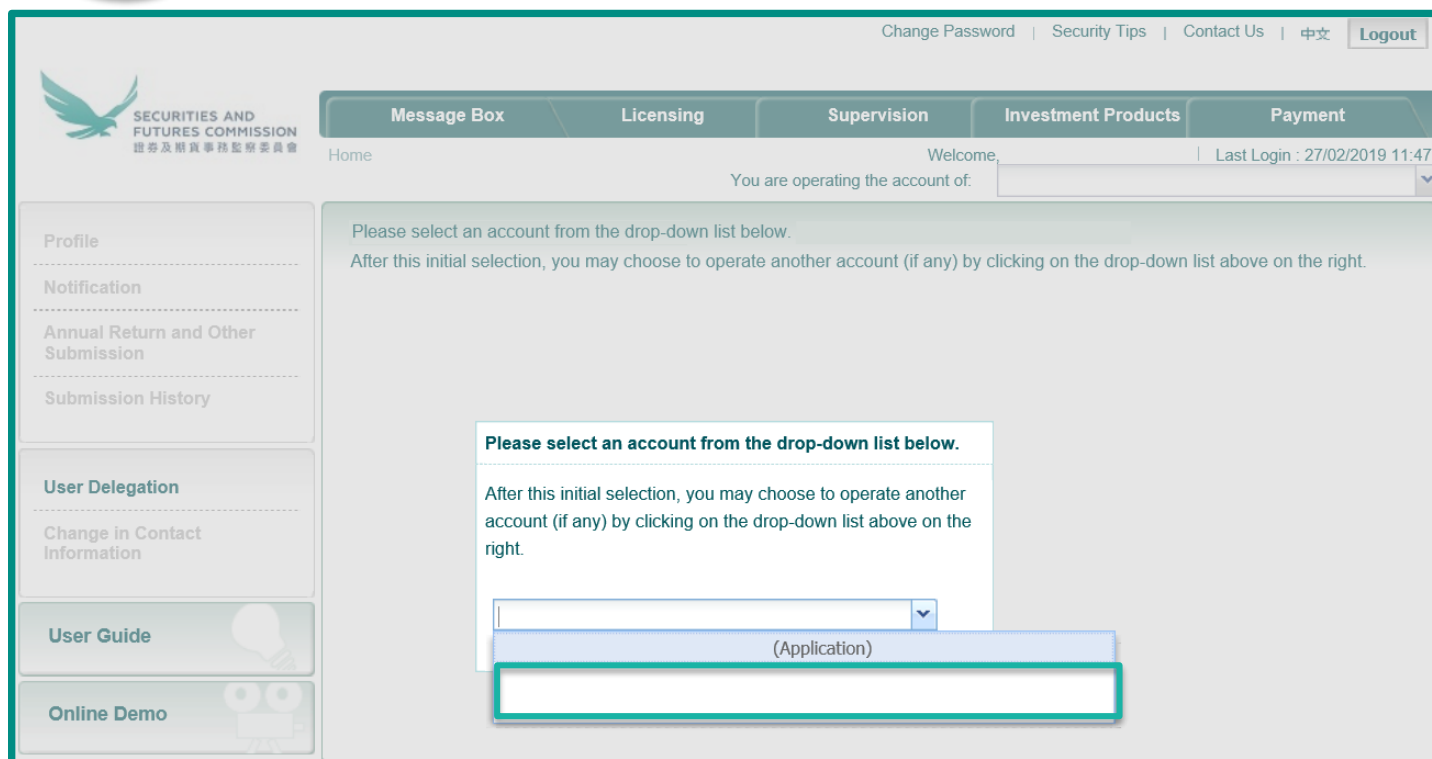
Demonstration – SFC Online Portal

- 1** How to authorise a person to submit notification / annual return?

- 2** How to submit notification?

- 3** How to confirm CPT compliance in annual return?



How to authorise a person to submit corporate notification / annual return?

STEP
1

Responsible Officer (or Executive Officer) logs in

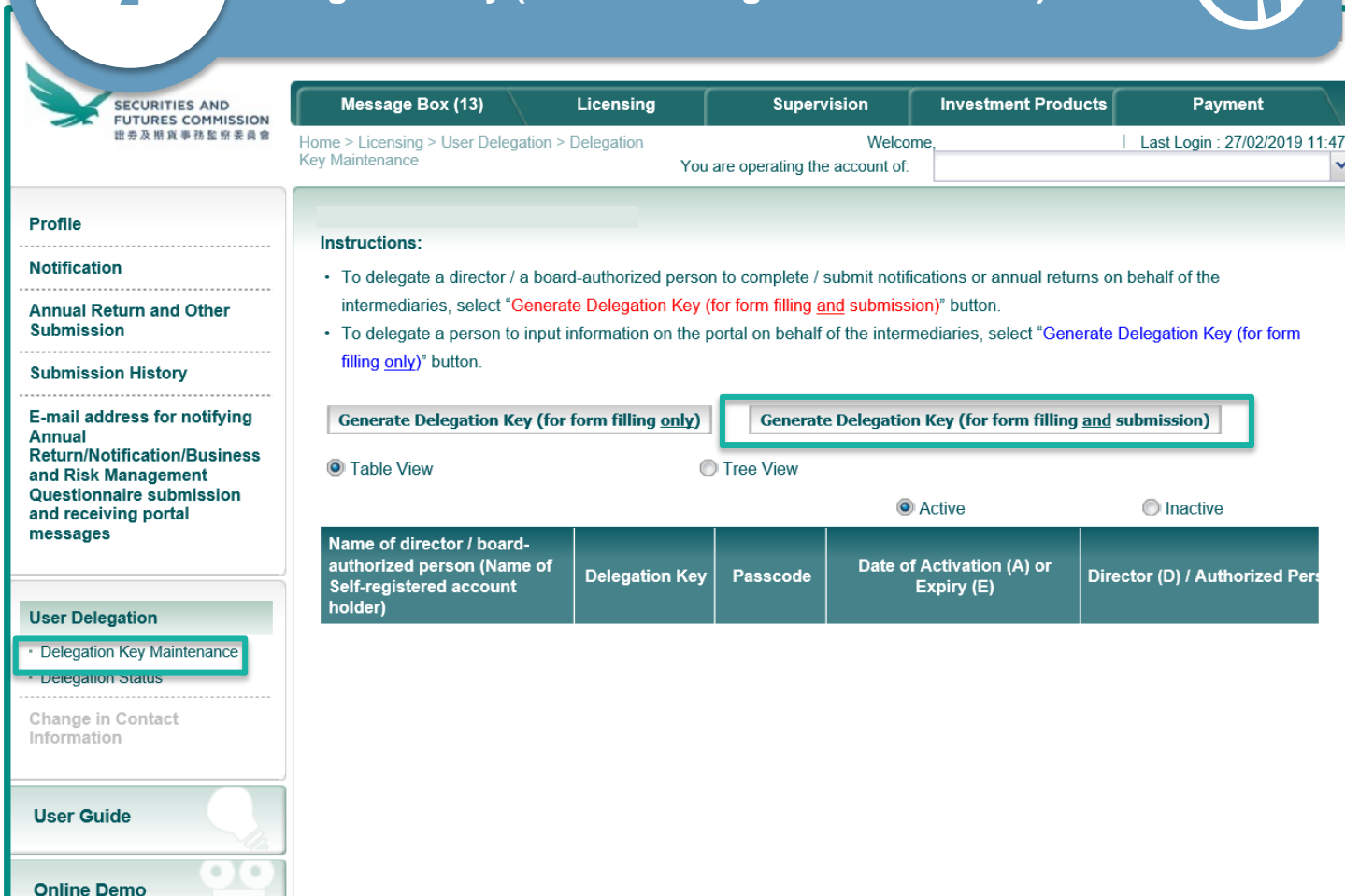


The screenshot displays the SFC user interface. At the top right, there are links for "Change Password", "Security Tips", "Contact Us", "中文", and "Logout". Below these are navigation tabs for "Message Box", "Licensing", "Supervision", "Investment Products", and "Payment". The main content area shows a "Home" page with a "Welcome" message and a "Last Login" timestamp of "27/02/2019 11:47". A dropdown menu is open, showing "You are operating the account of:" followed by a list of accounts. The selected account is "(Application)". A red box highlights the dropdown menu. A sidebar on the left contains various menu items: "Profile", "Notification", "Annual Return and Other Submission", "Submission History", "User Delegation", "Change in Contact Information", "User Guide", and "Online Demo".

How to authorise a person to submit corporate notification / annual return?

STEP 2

Under “Delegation Key Maintenance”, click “Generate Delegation Key (for form filling and submission)”.

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

Message Box (13) | Licensing | Supervision | Investment Products | Payment

Home > Licensing > User Delegation > Delegation Key Maintenance

Welcome, [User Name] | Last Login : 27/02/2019 11:47

You are operating the account of: [Account Name]

Profile

Notification

Annual Return and Other Submission

Submission History

E-mail address for notifying Annual Return/Notification/Business and Risk Management Questionnaire submission and receiving portal messages

User Delegation

- Delegation Key Maintenance
- Delegation Status

Change in Contact Information

User Guide

Online Demo

Instructions:

- To delegate a director / a board-authorized person to complete / submit notifications or annual returns on behalf of the intermediaries, select “**Generate Delegation Key (for form filling and submission)**” button.
- To delegate a person to input information on the portal on behalf of the intermediaries, select “**Generate Delegation Key (for form filling only)**” button.

Table View
 Tree View

Active
 Inactive

Name of director / board-authorized person (Name of Self-registered account holder)	Delegation Key	Passcode	Date of Activation (A) or Expiry (E)	Director (D) / Authorized Person

How to authorise a person to submit corporate notification / annual return?

STEP 3

Select the role of the delegated user and enter his / her name and company name.



Home > Licensing > User Delegation > Delegation Key Maintenance

Welcome, [User Name] | Last Login : 27/02/2019 11:47

You are operating the account of: [Account Name]

Profile

Notification

Annual Return and Other Submission

Submission History

E-mail address for notifying Annual Return/Notification/Business and Risk Management Questionnaire submission and receiving portal messages

User Delegation

- Delegation Key Maintenance
- Delegation Status

Change in Contact Information

User Guide

Online Demo

Instructions:

- To delegate a director / a board-authorized person to complete / submit notifications or annual returns on behalf of the intermediaries, select "Generate Delegation Key (for form filling and submission)" button.
- To delegate a person to input information on the portal on behalf of the intermediaries, select "Generate Delegation Key (for form fill

Confirmation [X]

Please select the role of the delegated user*

Director of licensed corporation / registered institution

Person authorized by the Board of licensed corporation / registered institution

I confirm that the following person is a director of or has been authorized by the board[^] of licensed corporation / registered institution to submit notifications and annual returns on its behalf.

Name*:

Company name of authorized person*:

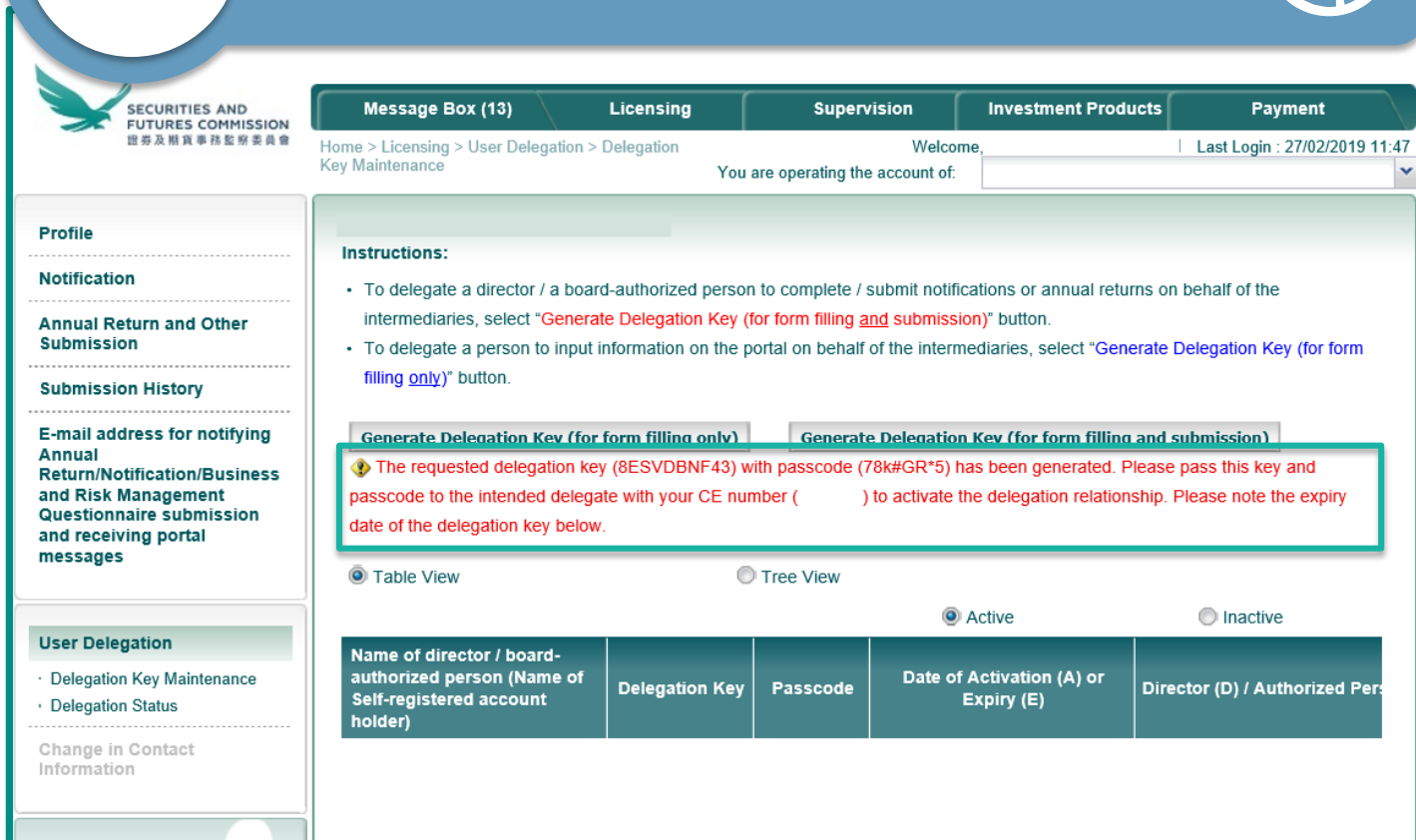
[^] The board resolution granting the authorization should be available for inspection upon the Commission's request.

* Mandatory field(s)

How to authorise a person to submit corporate notification / annual return?

STEP 4

A delegation key will be generated. The RO/EO should pass it to the delegate to activate the delegation relationship.

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

Message Box (13) | Licensing | Supervision | Investment Products | Payment

Home > Licensing > User Delegation > Delegation Key Maintenance

Welcome, [User Name] | Last Login : 27/02/2019 11:47

You are operating the account of: [Account Name]

Instructions:

- To delegate a director / a board-authorized person to complete / submit notifications or annual returns on behalf of the intermediaries, select **"Generate Delegation Key (for form filling and submission)"** button.
- To delegate a person to input information on the portal on behalf of the intermediaries, select **"Generate Delegation Key (for form filling only)"** button.


 The requested delegation key (8ESVDBNF43) with passcode (78k#GR*5) has been generated. Please pass this key and passcode to the intended delegate with your CE number () to activate the delegation relationship. Please note the expiry date of the delegation key below.

Table View
 Tree View

Active
 Inactive

Name of director / board-authorized person (Name of Self-registered account holder)	Delegation Key	Passcode	Date of Activation (A) or Expiry (E)	Director (D) / Authorized Person

User Delegation
 · Delegation Key Maintenance
 · Delegation Status
 Change in Contact Information

How to submit an online notification?

STEP
1

Click “Notification” at the left hand menu




Change Password | Security Tips | Contact Us | 中文 | **Logout**

Message Box (156) | **Licensing** | Supervision | Investment Products | Payment

Home > Licensing > Notification

Welcome, [Name] | Last Login : 11/02/2019 14:58

You are operating the account of: [Account Name]

Tag No. LP_V088_E25_20190125_1620]

Specified under section 402 of the Securities and Futures Ordinance (Cap. 571)]

Warning

All information and documents submitted to the Commission must be true, accurate and complete.

Under section 384(1) of the Securities and Futures Ordinance (“the Ordinance”), subject to section 384(2), a person commits an offence if –

- he, in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions, provides to a specified recipient any information which is false or misleading in a material particular; and
- he knows that, or is reckless as to whether, the information is false or misleading in a material particular.

Under section 384(3) of the Ordinance, subject to section 384(4), a person commits an offence if –

- he, otherwise than in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions but in connection with the performance by a specified recipient of a function under any of the relevant provisions, provides to the specified recipient any record or document which is false or misleading in a material particular; and
- he –
 - knows that, or is reckless as to whether, the record or document is false or misleading in a material particular; and
 - has, in relation to the provision of the record or document, received prior written warning from the specified recipient to the effect that the provision of any record or document which is false or misleading in a material particular in the circumstances of the case would constitute an offence under this subsection.

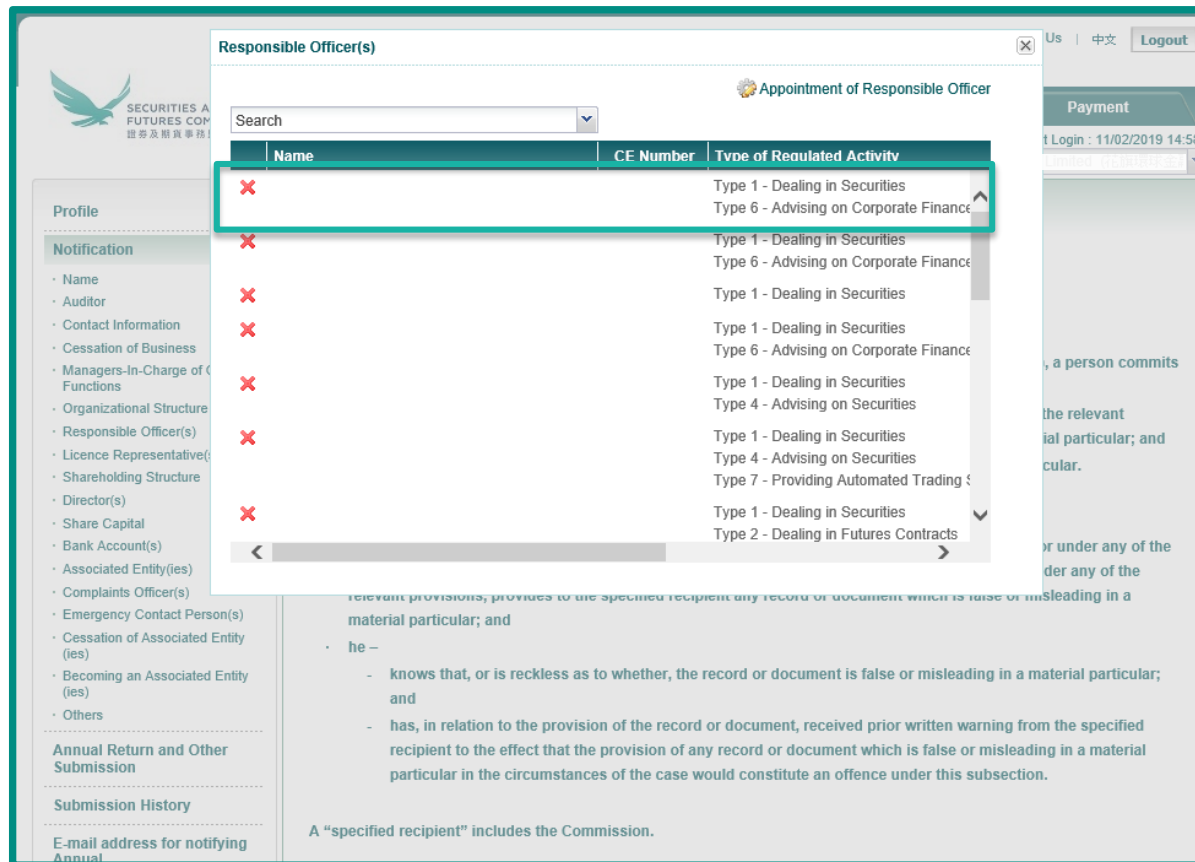
A “specified recipient” includes the Commission.

Type of Notification	Modified By	Last Modified (dd/mm/yyyy)	Delete Record?
Annual Return/Notification/Business and Risk Management Questionnaire submission and receiving portal messages			

How to submit an online notification?

STEP 2

To notify cessation of a responsible officer, click “X” next to the name

Responsible Officer(s)

Appointment of Responsible Officer

Name	CE Number	Type of Regulated Activity
X		Type 1 - Dealing in Securities Type 6 - Advising on Corporate Finance
X		Type 1 - Dealing in Securities Type 6 - Advising on Corporate Finance
X		Type 1 - Dealing in Securities
X		Type 1 - Dealing in Securities Type 6 - Advising on Corporate Finance
X		Type 1 - Dealing in Securities Type 4 - Advising on Securities
X		Type 1 - Dealing in Securities Type 4 - Advising on Securities Type 7 - Providing Automated Trading
X		Type 1 - Dealing in Securities Type 2 - Dealing in Futures Contracts

Profile

Notification

- Name
- Auditor
- Contact Information
- Cessation of Business
- Managers-In-Charge of Functions
- Organizational Structure
- Responsible Officer(s)
- Licence Representative(s)
- Shareholding Structure
- Director(s)
- Share Capital
- Bank Account(s)
- Associated Entity(ies)
- Complaints Officer(s)
- Emergency Contact Person(s)
- Cessation of Associated Entity (ies)
- Becoming an Associated Entity (ies)
- Others

Annual Return and Other Submission

Submission History

E-mail address for notifying Annual

relevant provisions; provides to the specified recipient any record or document which is false or misleading in a material particular; and

- he –
 - knows that, or is reckless as to whether, the record or document is false or misleading in a material particular; and
 - has, in relation to the provision of the record or document, received prior written warning from the specified recipient to the effect that the provision of any record or document which is false or misleading in a material particular in the circumstances of the case would constitute an offence under this subsection.

A “specified recipient” includes the Commission.

How to submit an online notification?

STEP
3

Fill in the required information. Click “Save as draft”.



Change Password | Security Tips | Contact Us | 中文 | Logout

Message Box (156) | Licensing | Supervision | Investment Products | Payment

Home > Licensing > Notification > Cessation to act as Responsible Officer

Welcome, [Name] | Last Login: 11/02/2019 14:58

You are operating the account of: [Name]

Profile

Notification

- Name
- Auditor
- Contact Information
- Cession of Business
- Managers-In-Charge of Core Functions
- Organizational Structure
- Responsible Officer(s)
- Licence Representative(s)
- Shareholding Structure
- Director(s)
- Share Capital
- Bank Account(s)
- Associated Entity(ies)
- Complaints Officer(s)
- Emergency Contact Person(s)
- Cession of Associated Entity (ies)
- Becoming an Associated Entity (ies)
- Others

Annual Return and Other Submission

Submission History

E-mail address for notifying Annual Return/Notification/Business and Risk Management Questionnaire submission and receiving portal messages

User Delegation

Change in Contact Information

User Guide

Online Demo

*** Mandatory field(s)**

Cessation to act as Responsible Officer/Licensed Representative

Name: [Text Field]

CE Number: [Text Field]

Please click on the cell(s) in the "After Change" table below to indicate changes.

Before Change

Accredited Principal	1	2	3	4	5	6	7	8	9	10
	RO					RO				

After Change

Accredited Principal	1	2	3	4	5	6	7	8	9	10
	RO					RO				

Change Summary

Accredited Principal	Type of Regulated Activity	Description	Effective Date (dd/mm/yyyy)

Please provide the reason(s) for late notification here:

Please state the reason(s) for cessation/change of role *:

Resignation

Expiry of contract (Expiry date *: [Date Picker])

Job rotation (New job title *: [Text Field])

Redundancy

Dismissal

Please specify date and cause:

Deceased

FAQs ?

Forms

Complaint Assessment Form

Others

Please specify details:

Please advise whether, within six months preceding the cessation, the individual was under any investigation commenced by you*.

No

Yes, please specify details if you have not previously provided such information to the Commission:

* If, subsequent to the submission of this notification, you commence any internal investigation on this individual, please notify the Commission as soon as practicable.

Attach supporting document(s) (if any)

Save as Draft Cancel

How to submit an online notification?

STEP 4

Go to “Notification” section. Click “Submit”.



Profile

Notification (1)

- Name
- Auditor
- Contact Information
- Cessation of Business
- Managers-In-Charge of Core Functions
- Organizational Structure
- Responsible Officer(s)
- License Representative(s)

[Specified under section 402 of the Securities and Futures Ordinance (Cap. 571)]

Warning

All information and documents submitted to the Commission must be true, accurate and complete.

Under section 384(1) of the Securities and Futures Ordinance (“the Ordinance”), subject to section 384(2), a person commits an offence if –

- he, in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions, provides to a specified recipient any information which is false or misleading in a material particular; and

Type of Notification	Modified By	Last Modified (dd/mm/yyyy)	Delete Record?
<input checked="" type="checkbox"/> Cessation to act as responsible officer / licensed representative (notified by LC)			

Annual Return and Other Submission

Submission History

E-mail address for notifying Annual Return/Notification/Business and Risk Management Questionnaire submission and receiving portal messages

User Delegation

Change in Contact Information

User Guide

Online Demo

FAQs

has, in relation to the provision of the record or document, received prior written warning from the specified recipient to the effect that the provision of any record or document which is false or misleading in a material particular in the circumstances of the case would constitute an offence under this subsection.

A “specified recipient” includes the Commission.

Type of Notification	Modified By	Last Modified (dd/mm/yyyy)	Delete Record?
<input checked="" type="checkbox"/> Cessation to act as responsible officer / licensed representative (notified by LC)			

Cessation to act as Responsible Officer/Licensed Representative record has been saved.

Submit

How to submit an online notification?

**STEP
5**

Read the Declaration and click “Confirm”



Notification (1)

- Name
- Auditor
- Contact Information
- Cessation of Business
- Managers-In-Charge of Core Functions
- Organizational Structure
- Respon
- Licen
- Share
- Direct
- Share
- Bank
- Assoc
- Comp
- Emer
- Cessa (ies)
- Becon (ies)
- Other

Annual Submi

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Warning

All information and documents submitted to the Commission must be true, accurate and complete.

Under section 384(1) of the Securities and Futures Ordinance (“the Ordinance”), subject to section 384(2), a person commits an offence if –

... be in purported compliance with a requirement to provide information imposed by or under any of the relevant

Declaration ✕

We:

- **Declare** that all the information provided in this notification and any associated documentation is complete, true and correct.
- **Understand** that providing false or misleading information in this notification is an offence under section 384 of the Ordinance.
- **Understand** that the Commission may take criminal and/or disciplinary action against a person who has made a false or misleading representation in, or in support of, this notification.
- **Understand** that if any information contained in this notification, or any associated documentation changes prior to the Commission making a decision in respect of any relating application, we must notify the Commission in writing immediately of the changes.
- **Understand** that the Commission may make such enquiries and seek such further information as it thinks appropriate.

We confirm the above declaration. *

Confirm
Cancel

* Mandatory field(s)

How to submit an online notification?

**STEP
6**

Provide contact person's information and click "Confirm"



Notification (1)

- Name
- Auditor
- Contact Information
- Cessation of Business
- Managers-In-Charge of Core Functions
- Organizational Structure
- Responsible Officer(s)
- Licence Representative(s)
- Shareholding Structure
- Director(s)
- Share Capital
- Bank Account(s)
- Associated Entity(ies)
- Complaints Officer(s)
- Emergent
- Cessation of Business (ies)
- Record of Business (ies)
- Other

Annual Submission

Submission

E-mail Annual Return and Related Questions and Responses

User Details

Change Information

User Guide

Online Demo

Submit

Warning

All information and documents submitted to the Commission must be true, accurate and complete.

Under section 384(1) of the Securities and Futures Ordinance ("the Ordinance"), subject to section 384(2), a person commits an offence if –

- he, in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions, provides to a specified recipient any information which is false or misleading in a material particular; and
- he knows that, or is reckless as to whether, the information is false or misleading in a material particular.

Under section 384(3) of the Ordinance, subject to section 384(4), a person commits an offence if –

- he, otherwise than in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions but in connection with the performance by a specified recipient of a function under any of the relevant provisions, provides to the specified recipient any record or document which is false or misleading in a material particular; and
- he knows that, or is reckless as to whether, the record or document is false or misleading in a material particular.

Please provide contact person information below in case we have to make enquiries on this submission.

Name *

Telephone Number *

Job Title *

Confirm **Cancel**

* Mandatory field(s)

Warning

The submitted notification(s) is/are being processed by the SFC such that information therein will not be reflected on the relevant page(s) immediately.

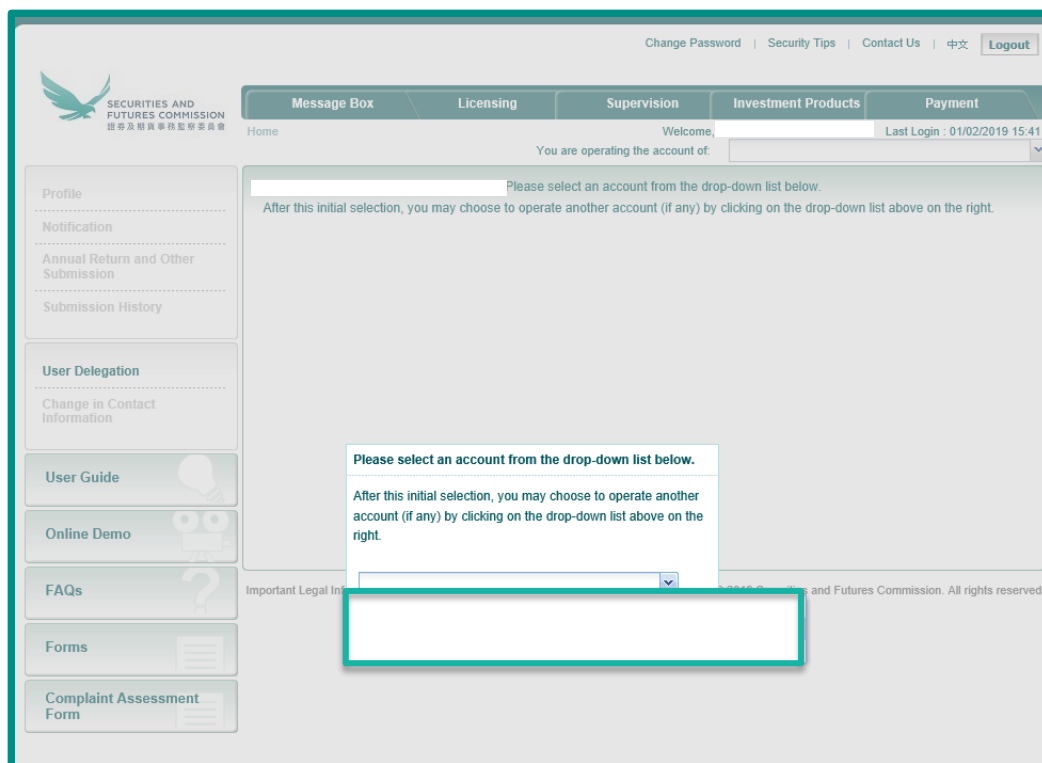
OK

* Mandatory field(s)

How to confirm CPT compliance?

**STEP
1**

Log-in portal



Change Password | Security Tips | Contact Us | 中文 | Logout

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

Home

Welcome, [User Name] Last Login : 01/02/2019 15:41

You are operating the account of: [Account Name]

Please select an account from the drop-down list below.
After this initial selection, you may choose to operate another account (if any) by clicking on the drop-down list above on the right.

Please select an account from the drop-down list below.
After this initial selection, you may choose to operate another account (if any) by clicking on the drop-down list above on the right.

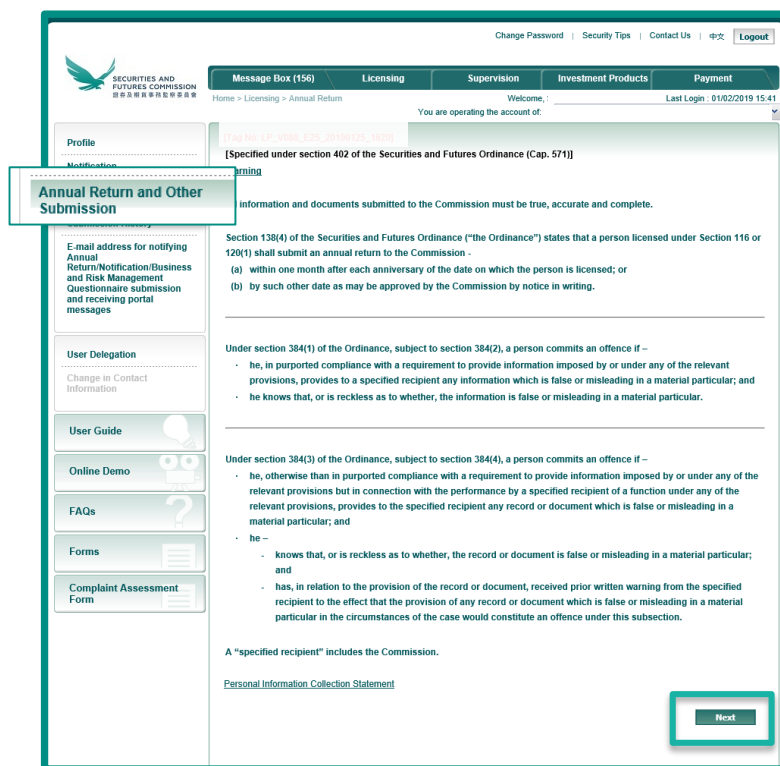
Important Legal Information

Securities and Futures Commission. All rights reserved.

How to confirm CPT compliance?

**STEP
2**

Click “Annual Returns and Other Submission”

Change Password | Security Tips | Contact Us | 中文 | Logout

Message Box (156) | Licensing | Supervision | Investment Products | Payment

Home > Licensing > Annual Return

Welcome, : Last Login : 01/02/2019 15:41

You are operating the account of:

Tag No: LP-998, 225, 20180125-1000

[Specified under section 402 of the Securities and Futures Ordinance (Cap. 571)]

Annual Return and Other Submission

Information and documents submitted to the Commission must be true, accurate and complete.

Section 120(4) of the Securities and Futures Ordinance (“the Ordinance”) states that a person licensed under Section 116 or 120(1) shall submit an annual return to the Commission -

- (a) within one month after each anniversary of the date on which the person is licensed; or
- (b) by such other date as may be approved by the Commission by notice in writing.

Under section 384(1) of the Ordinance, subject to section 384(2), a person commits an offence if -

- he, in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions, provides to a specified recipient any information which is false or misleading in a material particular; and
- he knows that, or is reckless as to whether, the information is false or misleading in a material particular.

Under section 384(3) of the Ordinance, subject to section 384(4), a person commits an offence if -

- he, otherwise than in purported compliance with a requirement to provide information imposed by or under any of the relevant provisions but in connection with the performance by a specified recipient of a function under any of the relevant provisions, provides to the specified recipient any record or document which is false or misleading in a material particular; and
- he -
 - knows that, or is reckless as to whether, the record or document is false or misleading in a material particular; and
 - has, in relation to the provision of the record or document, received prior written warning from the specified recipient to the effect that the provision of any record or document which is false or misleading in a material particular in the circumstances of the case would constitute an offence under this subsection.

A “specified recipient” includes the Commission.

[Personal Information Collection Statement](#)

Next


How to confirm CPT compliance?

STEP
3

Licensed Corporation

Click “Yes” or “No”





SECURITIES AND
FUTURES COMMISSION
證券及期貨委員會

[Change Password](#) | [Security Tips](#) | [Contact Us](#) | [中文](#) | [Logout](#)

Profile

Notification

Annual Return and Other Submission

Submission History

E-mail address for notifying Annual Return/Notification/Business and Risk Management Questionnaire submission and receiving portal messages

User Delegation

Change in Contact Information

User Guide

Online Demo

FAQs

Forms

Complaint Assessment Form

(2) Confirmation of compliance with the obligations set out in the Guidelines on Continuous Professional Training (CPT) *

We hereby confirm that we have complied with our obligations set out in paragraph 4.2 of the Guidelines on Continuous Professional Training issued by the SFC. In particular, we have:

- implemented training programme(s) to meet the training needs of our licensed representatives;
- evaluated our training programme(s) at least once during the previous calendar year; and
- maintained sufficient records on our training programme(s) and the CPT activities undertaken by each of our licensed representatives.

Yes
 No. Please explain in detail and provide a rectification plan below:

[View CAD Group Submission Status](#) | [Submit](#) | [Save as draft](#)

Change of E-mail Address(es)

Change of Website Address

[Previous](#) | [Next](#)

(2) Confirmation of compliance with the obligations set out in the Guidelines on Continuous Professional Training (CPT) *

We hereby confirm that we have complied with our obligations set out in paragraph 4.2 of the Guidelines on Continuous Professional Training issued by the SFC. In particular, we have:

- implemented training programme(s) to meet the training needs of our licensed representatives;
- evaluated our training programme(s) at least once during the previous calendar year; and
- maintained sufficient records on our training programme(s) and the CPT activities undertaken by each of our licensed representatives.

Yes
 No. Please explain in detail and provide a rectification plan below:

[View CAD Group Submission Status](#) | [Submit](#) | [Save as draft](#)

Common Anniversary Date: Yes

Anniversary Date for Submission of Annual Fee/Annual Return (dd/mm): 01/11

Place of Incorporation: Hong Kong

Date of Incorporation (dd/mm/yyyy): 29/04/1988

Hong Kong Business Registration Certificate Number: 61340320

Financial Year End (dd/mm): 31/12

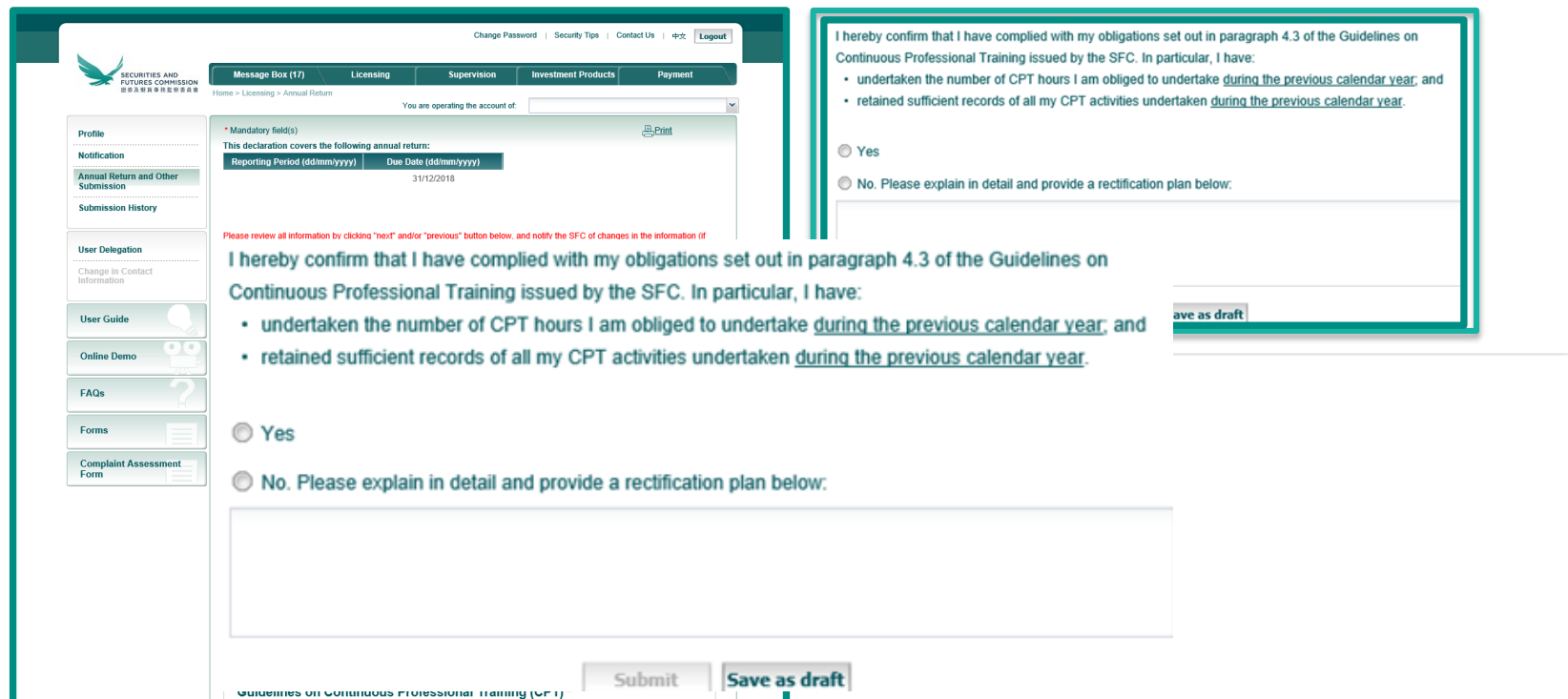
[Application for Change of Financial Year End](#)

How to confirm CPT compliance?

STEP
3

Licensed Individual

Click “Yes” or “No”

The screenshot displays the SFC online portal interface. The main content area shows a declaration form for CPT compliance. The form includes a confirmation statement, a list of obligations, radio buttons for 'Yes' or 'No', and a text box for providing a rectification plan. The 'Save as draft' button is highlighted in a red box. The left sidebar contains navigation links such as Profile, Notification, User Delegation, User Guide, Online Demo, FAQs, Forms, and Complaint Assessment Form. The top navigation bar includes links for Change Password, Security Tips, Contact Us, and Logout.

Message Box (17) | Licensing | Supervision | Investment Products | Payment

Home > Licensing > Annual Return

You are operating the account of: [Dropdown]

* Mandatory field(s)

This declaration covers the following annual return:

Reporting Period (dd/mm/yyyy)	Due Date (dd/mm/yyyy)
	31/12/2018

Please review all information by clicking "next" and/or "previous" button below, and notify the SFC of changes in the information if

I hereby confirm that I have complied with my obligations set out in paragraph 4.3 of the Guidelines on Continuous Professional Training issued by the SFC. In particular, I have:

- undertaken the number of CPT hours I am obliged to undertake during the previous calendar year; and
- retained sufficient records of all my CPT activities undertaken during the previous calendar year.

Yes

No. Please explain in detail and provide a rectification plan below:

Save as draft

Submit | **Save as draft**

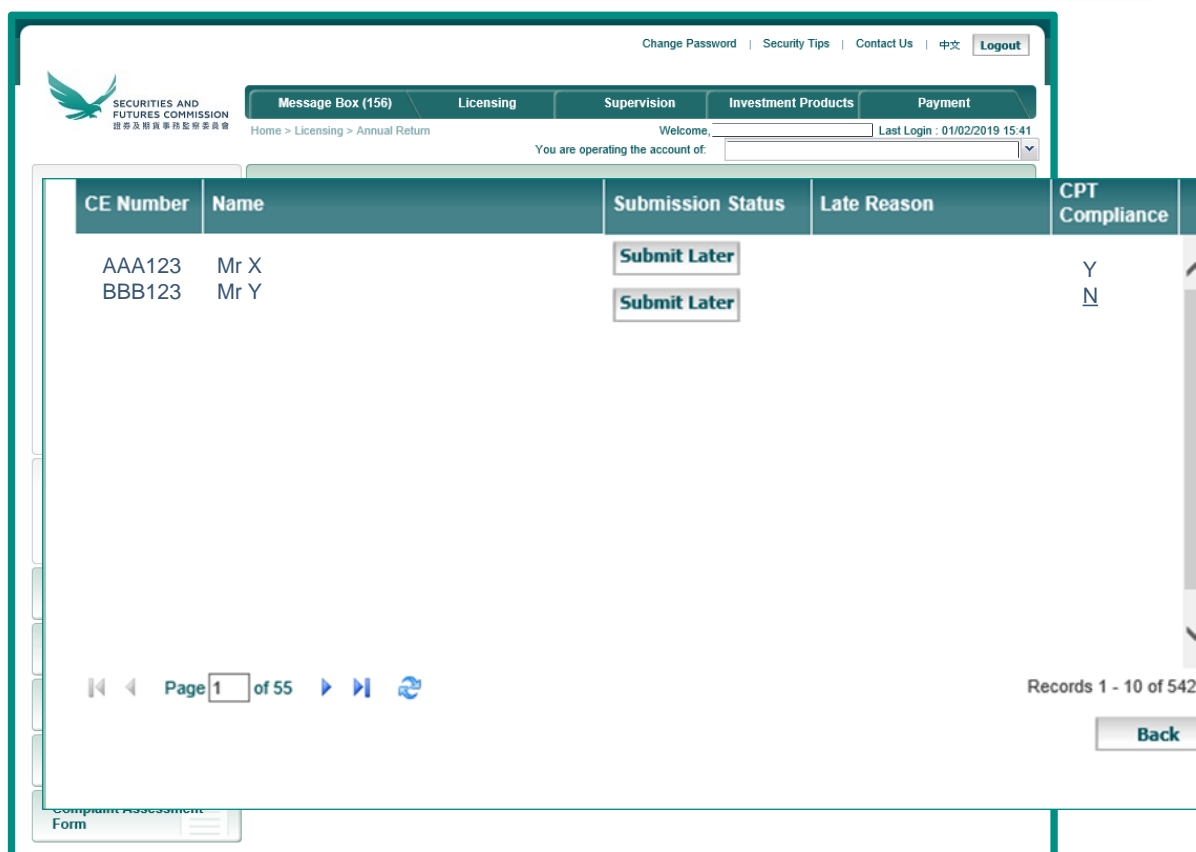
Guidelines on Continuous Professional Training (CPT)

Note: For CPT non-compliance cases, all responsible officers of the licensed corporation will receive an alert. Alternatively, licensed corporations may specify e-mail address(es) for receiving such notifications.

How to confirm CPT compliance?

STEP 4

For licensed corporations which joined Common Anniversary Date program, a summary of the individual status is shown under “**View CAD Group Submission Status**”.

Change Password | Security Tips | Contact Us | 中文 | Logout

SEcurities and Futures Commission
證券及期貨事務監察委員會

Message Box (156) | Licensing | Supervision | Investment Products | Payment

Home > Licensing > Annual Return

Welcome, [User Name] Last Login : 01/02/2019 15:41

You are operating the account of: [Account Name]

CE Number	Name	Submission Status	Late Reason	CPT Compliance
AAA123	Mr X	Submit Later		Y
BBB123	Mr Y	Submit Later		N

Page 1 of 55

Records 1 - 10 of 542

Back

The licensed corporation should ensure that each member has already submitted annual return before submitting its own annual return.



A large, stylized teal graphic of a bird in flight, positioned on the left side of the page. The bird's wings are spread wide, and its tail feathers are visible. The graphic is semi-transparent, allowing the white background to show through.

Thank you.

www.sfc.hk