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

2003
Commencement of the SFO Licensing Regime
Paper-based licensing process

2009
Launch of the SFC Online Portal
Online submission of regulatory filings

2011
Roll-out of e-application module
Covers all types of for corporate and individual applications

2017
Mandatory e-submission by individuals
Individuals’ applications, notifications and annual returns

2019
Revamp of licensing process
Newly designed paper forms and questionnaires
Mandatory e-submission by corporates (notifications and annual returns)
Highlights of licensing activities in past five years

- **No. of licensed individuals**
  - From 37,029 to 43,349
  - Increase of 17%

- **No. of licensed corporations**
  - From 1,956 to 2,905
  - Increase of 49%

- **No. of new corporate applications processed**
  - From 152 to 327
  - Increase of 115%

- **No. of new individual applications processed**
  - From 9,368 to 13,636
  - Increase of 46%

* - 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

<table>
<thead>
<tr>
<th>Forms</th>
<th>Designed for</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Corporate licence applicants</td>
</tr>
<tr>
<td>B</td>
<td>Existing licensed corporations</td>
</tr>
<tr>
<td>C</td>
<td>Registered institution applicants and existing registered institutions</td>
</tr>
<tr>
<td>D</td>
<td>Substantial shareholder applicants</td>
</tr>
<tr>
<td>E</td>
<td>Approved substantial shareholders</td>
</tr>
<tr>
<td>F</td>
<td>Associated entities of intermediaries</td>
</tr>
</tbody>
</table>
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)

11 Feb 2019

2-month transition period

11 Apr 2019
Highlights of New Licensing Forms & Handbook
Key risk elements of corporate applicants

**Business**
- Business model
- Operational mode
- Clientele

**Controller**
- Business rationale
- Background and F&P of shareholders
- Source of funding
- Compliance History

**Management**
- Corporate governance
- Managers-in-charge
- Responsible officers
- Compliance History

**Financial Strength**
- Ability to meet minimum liquid capital requirement

**Internal Control**
- Internal control systems
- Risk management measures
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**

<table>
<thead>
<tr>
<th>Assessment</th>
<th>D Limited</th>
<th>E Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alone, will not be regarded as SSH?</td>
<td>x</td>
<td>✓</td>
</tr>
<tr>
<td>Together with any of the associates, will be regarded as SSH?</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Whether it is and will be controlled or influenced by another SSH?</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Whether it does not and will not have any involvement in the management and operation of the LC?</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>🌟 Non-close link to the LC?</td>
<td>x</td>
<td>✓</td>
</tr>
</tbody>
</table>
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.

- 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)
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:

<table>
<thead>
<tr>
<th>Part</th>
<th>A substantial shareholder applicant that has a “close link” to the Licensed Corporation(s)/Licensed Corporation Applicant(s) (see note 2 of the instructions)</th>
<th>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)</th>
<th>A corporate director of a licensed corporation applicant/substantial holder/substantial shareholder applicant*</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>II</td>
<td>✓</td>
<td>✓</td>
<td>✓ (Section 3 only)</td>
</tr>
<tr>
<td>III</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>IV</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>V</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>VI</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>VII</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

* 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):

<table>
<thead>
<tr>
<th>Part</th>
<th>A substantial shareholder applicant that has a “close link” to the Licensed Corporation(s)/Licensed Corporation Applicant(s) (see note 2 of the instructions)</th>
<th>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)</th>
<th>A director of a licensed corporation applicant/substantial shareholder/substantial shareholder applicant*</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>II</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>III</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>IV</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>V</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>VI</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

* 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
Self-assessment questionnaires – Questionnaire A (2)

<table>
<thead>
<tr>
<th>Part I: Business Profile</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Please specify the business activity you propose to carry out:</td>
<td></td>
</tr>
<tr>
<td>Business Activity 1</td>
<td></td>
</tr>
<tr>
<td>Business Activity 2</td>
<td></td>
</tr>
<tr>
<td>Business Activity 3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part IV: Operational Control and Review</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) physical and functional segregation of incompatible duties (e.g. trade, settlement, risk management and accounting)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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); |  |

b) your operating and information management systems meet your needs and operate in a secure and adequately controlled environment; |  |

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; |  |

d) key components of the information management system design and implementation programme are adequately documented and regularly reviewed for effectiveness; and |  |

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

#### Specific Business Profile and Internal Control Summary

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

<table>
<thead>
<tr>
<th>Details</th>
<th>Parts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Management</td>
<td>I</td>
</tr>
<tr>
<td>Securities or Futures Brokerage</td>
<td>II</td>
</tr>
<tr>
<td>Securities Margin Financing</td>
<td>III</td>
</tr>
<tr>
<td>Electronic Trading or Automated Trading Services</td>
<td>IV</td>
</tr>
</tbody>
</table>

#### Completion Guidelines

**Completion Guidelines**

Please tick "✓" the business activity(ies) that you propose to carry out:

- [ ] Asset management
- [ ] Securities or futures brokerage
- [ ] Securities margin financing
- [ ] Electronic trading or automated trading services

**Contact person regarding any queries on this questionnaire**

<table>
<thead>
<tr>
<th>English/Chinese name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business title/Firm name</td>
</tr>
<tr>
<td>Relationship with the applicant</td>
</tr>
<tr>
<td>Mobile number</td>
</tr>
</tbody>
</table>

**Declaration**
# Self-assessment questionnaires

## – Questionnaire B (2)

### Part I: Asset Management

#### Section 1: Business Profile

<table>
<thead>
<tr>
<th>Asset management activities</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Please indicate whether you will be given full discretion in making investment decisions in the management of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) a collective investment scheme (&quot;fund&quot;); and</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>b) a discretionary account.</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

| 1.2 Please indicate whether you will manage |     |    |
| a) a public fund; |     |    |
| i) SFC-authorised fund | □  | □ |
| ii) fund authorised or approved in other jurisdictions | □  | □ |
| b) a private fund; |     |    |
| i) hedge fund | □  | □ |
| ii) private equity and venture capital fund | □  | □ |
| iii) others, please specify | □  | □ |
| c) a pension fund; | □  | □ |
| d) a real estate investment scheme; and | □  | □ |
| e) a discretionary account. | □  | □ |

| 1.3 Please indicate whether you will be responsible for the overall operation in the management of the portfolio that you will manage. |     |    |

| 1.4 Please indicate the geographical distribution of the target investors of the funds that you will manage. |     |    |
| a) Hong Kong | □  | □ |
| b) Mainland China | □  | □ |
| c) Asia (other than Hong Kong and Mainland China) | □  | □ |
| d) Europe | □  | □ |
| e) United States | □  | □ |

#### Section 2: Internal Controls

<table>
<thead>
<tr>
<th>Asset management activities</th>
<th>Yes</th>
<th>No*</th>
<th>N/A*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Choice of investment and performance review</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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?</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

| 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? (Specify title and name if available.) |     |    |
| a) investment committee, please specify the members of the committee: |     |    |
| b) chief investment officer | □  | □ |
| c) individual fund or portfolio managers | □  | □ |
| d) others, please specify | □  | □ |

| 2.5 Do you have any written policies and control procedures to ensure that |     |    |
| a) trade orders are executed on the best available terms; | □  | □  | □ |
| b) all orders are allocated fairly and preferential allocations are prohibited; and | □  | □  | □ |
Self-assessment questionnaires
– Questionnaire B (3)

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:

<table>
<thead>
<tr>
<th>Details</th>
<th>(HK$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-up capital</td>
<td></td>
</tr>
<tr>
<td>Liquid capital computation</td>
<td></td>
</tr>
<tr>
<td>Total liquid assets</td>
<td></td>
</tr>
<tr>
<td>Total ranking liabilities</td>
<td></td>
</tr>
<tr>
<td>Liquid capital (Total liquid assets minus total ranking liabilities)</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Details</th>
<th>(HK$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office rental and utilities</td>
<td></td>
</tr>
<tr>
<td>Salary and staff benefits</td>
<td></td>
</tr>
<tr>
<td>Others, please specify:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th>Details</th>
<th>Actual figure as at the date of this form (HK$’000)</th>
<th>Projected figure as at six months after the approval of the current application, if granted (HK$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-up capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid capital computation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liquid assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total ranking liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Required liquid capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess/(deficiency) in liquid capital</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**
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.

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.
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)”.

<table>
<thead>
<tr>
<th>Instructions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To delegate a director / a board-authorized person to complete / submit notifications or annual returns on behalf of the intermediaries, select &quot;Generate Delegation Key (for form filling and submission)&quot; button.</td>
</tr>
<tr>
<td>• To delegate a person to input information on the portal on behalf of the intermediaries, select &quot;Generate Delegation Key (for form filling only)&quot; button.</td>
</tr>
</tbody>
</table>

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**Message Box (13)**

**Licensing**

**Supervision**

**Investment Products**

**Payment**

Home > Licensing > User Delegation > Delegation Key Maintenance

Welcome,  

Last Login : 27/02/2019 11:47

You are operating the account of: 

---

**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>
<thead>
<tr>
<th>Generate Delegation Key (for form filling only)</th>
<th>Generate Delegation Key (for form filling and submission)</th>
</tr>
</thead>
</table>

**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.
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.

**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 (BE5V8DKF43) with passcode (73k#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.
How to submit an online notification?

STEP 1

Click “Notification” at the left hand menu.
How to submit an online notification?

STEP 2

To notify cessation of a responsible officer, click “X” next to the name.
How to submit an online notification?

**STEP 3**

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

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

* 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 documents (if any)
How to submit an online notification?

STEP 4
Go to “Notification” section. Click “Submit”.

[Image of the SFC website with a section for submitting a notification and an explanation of the process]
How to submit an online notification?

**STEP 5**

Read the Declaration and click “Confirm”
How to submit an online notification?

**STEP 6**

Provide contact person’s information and click “Confirm”
How to confirm CPT compliance?

STEP 1 Log-in portal
How to confirm CPT compliance?

STEP 2

Click “Annual Returns and Other Submission”
How to confirm CPT compliance?

STEP 3

Licensed Corporation
Click “Yes” or “No”

(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:

---

* For more details, please refer to paragraph 4.2 of the Guidelines on Continuous Professional Training issued by the SFC.
How to confirm CPT compliance?

**STEP 3**

**Licensed Individual**

Click “Yes” or “No”

---

**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”.

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

www.sfc.hk