

31 May 2023

## **Circular on implementation of new licensing regime for virtual asset trading platforms**

The new licensing regime for centralised virtual asset trading platforms under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO) will come into effect on 1 June 2023. Under the new regime, centralised virtual asset trading platforms operating in Hong Kong will need to apply to the Securities and Futures Commission (SFC) for a licence under the Securities and Futures Ordinance (Cap 571) (SFO) and/or the AMLO (Dual Licence Arrangement).

The SFC is issuing this circular to highlight the following documents and information which assist licence applicants and provide guidance on the new regulatory requirements. They also set out the ongoing notification requirements for licensed virtual asset trading platforms.

### **Regulatory requirements**

The SFC has published the following guidelines which set out the regulatory requirements applicable to licensed virtual asset trading platforms under the new regime:

- (1) [Guidelines for Virtual Asset Trading Platform Operators](#)
- (2) [Guideline on Anti-Money Laundering and Counter-Financing of Terrorism \(For Licensed Corporations and SFC-licensed Virtual Asset Service Providers\)](#)
- (3) [Prevention of Money Laundering and Terrorist Financing Guideline issued by the Securities and Futures Commission for Associated Entities of Licensed Corporations and SFC-licensed Virtual Asset Service Providers](#)

### **Frequently asked questions (FAQs)**

The SFC has also issued FAQs on [licensing matters](#) and [conduct-related matters](#), which may be updated from time to time.

### **Licensing Handbook for Virtual Asset Trading Platform Operators (VATP Licensing Handbook)**

[The VATP Licensing Handbook](#) provides a handy licensing guide for virtual asset trading platform operators (Platform Operators). It sets out detailed procedures to guide them on how to apply for a licence as well as the relevant ongoing notifications and other applications required of them after obtaining a licence.

### **Designated e-mail for licensing enquiries**

The SFC will receive licensing enquiries on virtual asset trading platforms via: [vatp-licensing@sfc.hk](mailto:vatp-licensing@sfc.hk).



## Forms and ongoing notifications

### (4) Licensing forms

Starting from 1 June 2023, corporate and individual applicants applying for licences under the new regime can submit application forms, supplements and questionnaires to the SFC through WINGS (WINGS-LIC).

Notifications, regulatory filings and annual returns should also be submitted through WINGS-LIC.

### (5) Financial returns and relevant documents

Platform Operators should use the following electronic forms on the SFC's website to submit their financial returns and other documents:

- a. [Financial Returns](#)
- b. [Audit Questionnaire](#)
- c. [Business and Risk Management Questionnaire for Licensed Corporation](#)
- d. [Business and Risk Management Questionnaire for Associated Entity](#)
- e. [Analysis of Client Assets for Associated Entity](#)

### (6) Reporting of material breach and non-compliance incidents

The Guidelines for Virtual Asset Trading Platform Operators require Platform Operators and their associated entities to notify the SFC immediately after any material breach or non-compliance incidents. The SFC has upgraded its existing [paragraph 12.5 notifications online portal](#) to enable Platform Operators to report incidents of material breach and non-compliance to the SFC electronically.

All forms, returns and other documents have been designed to streamline and consolidate the process into a single application, notification or filing under the Dual Licence Arrangement.

## Dedicated SFC webpage for virtual asset activities

The SFC has launched a [dedicated webpage](#) which provides access to the above information and documents, and all relevant regulatory requirements and guidance materials in relation to virtual asset activities regulated by the SFC.

Licensed Platform Operators should contact their respective case officers for enquiries. For licence applicants, please send your enquiries to [vatp-licensing@sfc.hk](mailto:vatp-licensing@sfc.hk).

**Fintech unit  
Intermediaries Division  
Securities and Futures Commission**

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