

30 May 2025

Circular to intermediaries

Updates to acceptable account opening approaches

The Securities and Futures Commission (SFC) acknowledges the importance of non-face-to-face (NFTF) client onboarding to intermediaries given the increasing digitalisation and automation in intermediaries' business activities. There are currently five acceptable NFTF account opening approaches published on the SFC's designated webpage¹. This circular provides updates to the approaches.

Certification services (Existing acceptable approach #2 on the SFC's designated webpage)

Certification services recognised by the Electronic Transactions Ordinance (Cap. 553) may be employed for client identity verification in NFTF account opening. The list of recognised certificates available for subscriptions are published on the website² of the Digital Policy Office (DPO). Currently, certification services of recognised certification authorities (CA) can be employed remotely through the support of smartphones equipped with the near field communication (NFC) function. More convenient methods for remote onboarding of overseas investors are now available to intermediaries. For example, the Personal (Remote) ID-Cert Class 12, issued by Digi-Sign Certification Services Limited, can be subscribed to remotely by overseas investors holding ePassports in compliance with the standards of the International Civil Aviation Organization (ICAO)³.

Intermediaries may consider employing such certification service to verify the identities of overseas investors for remote client onboarding. More than 100 overseas jurisdictions⁴ have issued ICAO-compliant ePassports and have put their public keys into the ICAO public key repository. Overseas investors holding ICAO-compliant ePassports may be eligible to subscribe to the abovementioned recognised certificate. For reference, Appendix A sets out the illustrative processes of using certification services to open accounts for overseas investors holding ICAO-compliant ePassports.

iAM Smart (An acceptable approach newly included on the SFC's designated webpage)

Introduced by the HKSAR Government in December 2020, iAM Smart is a one-stop personalised digital services platform which serves as part of the digital infrastructure for Hong Kong to promote digital transformation of the community. It provides a reliable and

¹ Please refer to the SFC's circular issued on 28 June 2019 regarding the launch of a designated webpage publishing the acceptable account opening approaches at <https://apps.sfc.hk/edistributionWeb/gateway/EN/circular/intermediaries/supervision/doc?refNo=19EC45>.

² Please refer to the website of DPO, formerly known as the Office of the Government Chief Information Officer, at https://www.digitalpolicy.gov.hk/en/our_work/digital_infrastructure/legal_framework/regulation/eto/ca/rec_certs/ for the list of recognised certificates.

³ Please refer to the website at <https://www.icao.int/Security/FAL/PKD/Pages/ePassport-Basics.aspx> for the information about ICAO-compliant ePassport.

⁴ Please refer to the website of ICAO at <https://www.icao.int/Security/FAL/PKD/Pages/ICAO-PKDParticipants.aspx> for the list of jurisdictions.

independent source of Hong Kong residents' identities, which can be used for client identity verification⁵.

The SFC has accepted the adoption of iAM Smart for client identity verification in account opening since its launch⁶. Our designated webpage now includes the use of iAM Smart as one of the acceptable NFTF account opening approaches for intermediaries. For the avoidance of doubt, the SFC accepts the use of the authentication function of both versions of iAM Smart account, namely iAM Smart and iAM Smart+⁷, for client identity verification in NFTF account opening.

The SFC understands that some intermediaries have already adopted iAM Smart for identity authentication to remotely onboard clients⁸ while others are testing the application of iAM Smart in their account opening process. An iAM Smart Sandbox Programme (Programme) has been launched by the DPO in collaboration with the Cyberport to facilitate iAM Smart adoption by financial institutions. Intermediaries are encouraged to join the Programme for access to various documentation and resources, and explore the relevant information posted on the Programme's website⁹. Interested licensed corporations may apply to the Cyberport via the SFC¹⁰ while registered institutions may contact the Hong Kong Monetary Authority directly.

Illustrative processes of the connection to and the adoption of iAM Smart for account opening are set out in Appendix B for reference.

Eligible jurisdictions in the remote onboarding of overseas individual clients (Existing acceptable approach #5 on the SFC's designated webpage)

The SFC has published a list of eligible jurisdictions that clients may maintain bank accounts with for first payments and ongoing fund movements for the purpose of remote onboarding of overseas individual clients. In setting out the eligible jurisdictions, the SFC has taken into account the results of the Financial Action Task Force mutual evaluations.

Based on the updated results, 15 additional eligible jurisdictions are added to the list with immediate effect, including Argentina, Brazil, France, Germany, Greece, India, Indonesia, Japan, Korea, Luxembourg, Netherlands, New Zealand, Saudi Arabia, South Africa and Turkey. The updated full list of eligible jurisdictions has been published on our designated webpage¹¹.

⁵ iAM Smart is specified as a recognised digital identification system for client identity verification under paragraph 4.2.1 of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations and SFC-licensed Virtual Asset Service Providers) (AML/CFT Guideline).

⁶ Please refer to the SFC's circular issued on 29 December 2020 at <https://apps.sfc.hk/edistributionWeb/gateway/EN/circular/intermediaries/supervision/doc?refNo=20EC83>.

⁷ iAM Smart+ supports digital signing function using the Hongkong Post iAM Smart-Cert, issued by the Postmaster General (Hongkong Post Certification Authority), which can be subscribed to remotely by Hong Kong residents with iAM Smart accounts.

⁸ Please refer to https://www.iamsmart.gov.hk/en/e-service-non_gov.html for the list of firms which have adopted iAM Smart.

⁹ Please refer to <https://iamsmart.cyberport.hk/>.

¹⁰ Please refer to the invitation letter dated 6 October 2020 at <https://www.sfc.hk/-/media/EN/files/IS/publications/Invitation%20Letter.pdf>.

¹¹ Please refer to <https://www.sfc.hk/en/Rules-and-standards/Account-opening/List-of-eligible-jurisdictions-for-remote-onboarding-of-overseas-individual-clients> for the updated list of eligible jurisdictions.



Some jurisdictions may have restrictions on citizens' investments or capital transfers beyond their territorial boundaries. Intermediaries should be mindful of the requirements imposed by domestic regulatory authorities¹² when onboarding overseas or cross-boundary clients. Intermediaries are also reminded to implement adequate cybersecurity controls to protect their systems, client accounts and data from emerging cybersecurity threats such as phishing and ransomware attacks.

The SFC will keep in view technology developments and continue to communicate with the industry on any suggestions regarding the use of technology for reliable and effective client identity verification for account opening purpose.

Should you have any questions regarding the contents of this circular, please contact Ms Denise Chan at 2231 1188 or your case officers.

Intermediaries Division
Securities and Futures Commission

Enclosure

End

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¹² For example, the China Securities Regulatory Commission has implemented 《证券经纪业务管理办法》 for the supervision of brokerage activities beyond the territorial boundary. Please refer to the websites (Chinese version only) at <http://www.csrc.gov.cn/csrc/c100028/c6987711/content.shtml> and <http://www.csrc.gov.cn/csrc/c100028/c7113927/content.shtml>.