



30 September 2025

Supplemental joint circular on intermediaries' virtual asset-related activities

1. This circular¹ is supplemental to the [Joint circular on intermediaries' virtual asset-related activities](#) issued by the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) on 22 December 2023 (**Joint Circular**). It aims to update relevant licensing or registration conditions and terms and conditions for intermediaries.

Background

2. The Joint Circular sets out the requirements for intermediaries² which intend to or are engaging in certain virtual asset dealing services, advisory services, asset management services and/or distribution of investment products with exposure to virtual assets (**virtual asset-related activities**). The SFC and the HKMA have conducted a review of the Joint Circular in light of the latest market development and industry feedback. Based on the review, the SFC and the HKMA jointly introduce some refinements and relaxations to the requirements with a view to facilitating market development while adhering to investor protection. For activities involving specified stablecoins³ issued by an issuer licensed by the HKMA under the Stablecoins Ordinance (Cap.656), the SFC and the HKMA will issue further guidance in the near future.
3. This circular sets out the resulting changes to the Joint Circular. Corresponding updates have also been made to the *Licensing or registration conditions and terms and conditions for licensed corporations or registered institutions providing virtual asset dealing services and virtual asset advisory services* (Appendix 6 of the Joint Circular) (**Terms and Conditions**), appended in Appendix A. The tracked changes version of the Terms and Conditions is appended in Appendix B.

Staking activities by intermediaries

4. Given the SFC has issued requirements on staking for SFC-licensed platforms⁴ and SFC-authorized virtual asset funds⁵ and the HKMA has issued similar guidance for authorized financial institutions and subsidiaries of locally incorporated authorized financial institution⁶, both regulators are now prepared to allow intermediaries to provide staking services to their clients. The Terms and Conditions have been amended

¹ Capitalised terms have the same meaning as defined in the [Joint Circular](#) unless otherwise provided. This circular should be read in conjunction with the Joint Circular.

² SFC-licensed virtual asset trading platforms should also refer to the SFC's [Circular on SFC-authorized funds with exposure to virtual assets](#) issued on 7 April 2025 in relation to the distribution of investment products with exposure to virtual assets. The SFC and the HKMA also wish to clarify that unless otherwise specified, registered institutions which conduct sale and distribution of tokenised products other than tokenised securities should comply with the expected standards of conduct and guidance on tokenised products issued by the HKMA from time to time (eg the HKMA's circular on "sale and distribution of tokenised products" issued on 20 February 2024).

³ See section 4 of the Stablecoins Ordinance (Cap 656).

⁴ See the SFC's [Circular](#) on staking services provided by virtual asset trading platforms dated 7 April 2025.

⁵ See the SFC's [Circular](#) on SFC-authorized funds with exposure to virtual assets revised on 7 April 2025.

⁶ See the HKMA's [Circular](#) on Provision of Staking Services for Virtual Assets from Custodial Services dated 7 April 2025.

accordingly⁷. “Staking activities” refers to any activities carried out by licensed corporations or registered institutions on behalf of its clients which involve the process of committing or locking client virtual assets to participate in a blockchain protocol’s validation process based on a proof-of-stake consensus mechanism, with returns generated and distributed for that participation.

5. Intermediaries may provide staking services to clients for whom they are dealing in virtual assets, but should only do so through segregated account(s) maintained with an SFC-licensed platform or an authorized financial institution (or a subsidiary of a locally incorporated authorized financial institution), while complying with, among others, requirements relating to the disclosure of information and risks.

Use of off-platform services of SFC-licensed platforms

6. In relation to the provision of virtual asset dealing services to clients, licensed corporations and registered institutions may now execute a trade via the off-platform virtual asset trading services of SFC-licensed platforms. Accordingly, clause 4.2 of the Terms and Conditions has been removed.

Subscribing for or redeeming investment products using virtual assets

7. The SFC and the HKMA wish to clarify that client’s subscriptions and redemptions of investment products using virtual assets or in-kind subscriptions or redemptions of virtual asset funds will not be treated as providing virtual asset dealing services. Relevant intermediaries (including portfolio managers and discretionary account managers) should:
 - (a) notify the SFC (and the HKMA, where applicable) of such activities in advance;
 - (b) hold the virtual assets in account(s) established and maintained with SFC-licensed platforms or an authorized financial institution (or a subsidiary of a locally incorporated authorized financial institution), except for virtual asset portfolio managers and virtual asset discretionary account managers which have the RA9 Terms and conditions (see paragraph 23 of the Joint Circular) imposed on their licences or registrations); and
 - (c) ensure compliance with the applicable requirements under Chapter 12 of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations and SFC-licensed Virtual Asset Service Providers) when handling these virtual asset deposits and withdrawals conducted for clients.

Distribution of investment products with exposure to virtual assets

8. Paragraph 6.2 of the Joint Circular requires intermediaries to ensure that their clients have sufficient net worth to be able to assume the risks and bear the potential losses of trading virtual asset-related products. The SFC and the HKMA wish to clarify that this requirement does not apply to clients who are institutional professional investors and qualified corporate professional investors.

⁷ Please see Part VIII of the updated Terms and Conditions.

9. With respect to paragraph 13 of the Joint Circular, the SFC and the HKMA wish to clarify the requirement that intermediaries should provide clients with risk disclosure statements specific to virtual asset futures contracts does not apply to clients who are institutional professional investors and qualified corporate professional investors.

Implementation

10. Intermediaries are reminded to notify the SFC (and the HKMA, where applicable) before making changes to their virtual asset-related activities, including the following:
- (a) the type(s) of clientele served;
 - (b) allowing clients to deposit or withdraw virtual assets from the intermediaries' accounts for the first time;
 - (c) providing staking services to their clients for the first time;
 - (d) allowing their clients to subscribe for or redeem products using virtual assets for the first time; or
 - (e) other material changes made to the arrangements for such activities as first communicated in the advance notification.

For enquiries, please contact your case officer at the SFC or the Banking Conduct Department of the HKMA (as the case may be).

**Intermediaries Division
Securities and Futures Commission**

**Banking Conduct Department
Hong Kong Monetary Authority**

Enclosure

End