

Dear [REDACTED], Petition Letter - Opinion on the upcoming Crypto Regulation law as a small crypto exchange shop I'm writing to express my petition and opinion of the upcoming Crypto Regulation Law which I believed has not considered small crypto exchange shop like mine that provide basic exchange services between Fiat and major crypto currency like USDT, BUSD, BTC and ETH. Some do it online with it's own website or app, some on marketplace of some major crypto exchange like Binance, Huobi, AAX that support Hong Kong market, and some open shops on the street for exchange. According to the news, I believe that the government has consult some major exchange companies in Hong Kong however I think that the government has totally neglected small exchange industry like us and the upcoming law may end our business completely. Think of a relationship of normal foreigner exchange shop on the street and the main bank foreigner exchange services, both them exist and serve different customers with different needs. As for cryptocurrency exchange, our street shops are no difference from those foreigner exchange shops and it is unfair that the upcoming law will close us all down without proper consulting and not any way for us to obtain a correct license to our business. For example you cannot expect a small foreigner exchange shop to obtain a banking license right? The requirement is too high for them and not reasonable for this small type of business. As for our small crypto exchange, it is impossible and unreasonable for us to obtain a proper full crypto exchange license too. Also, the requirement for only serving professional investor is also impossible for small crypto exchange as 100% of our customers are small investors. Unlike major crypto exchanges which has professional investors as customers, small crypto exchanges only has small amount customers and will close down immediately and no transition period for us. (If you plan to reduce the requirements later) I do agree that the crypto exchange business needs regulation however I believe that it has not consult and totally omitted the industry of small crypto exchanges. Talking about Fairless, it is also not fair that foreigner exchange shop may operate and not small crypto currency shops. Speaking of risks, stable crypto currencies like USDT, BUSD, USDC are basically audited USD pledged. The exchange price against HKD is even more stable than many other foreigner currency, even more stable than big currency EUR, GBP and JPY due to the recent interest rate raise. Therefore, I have reasons and facts that the crypto regulation laws should further revise and my opinion is as followed.

- 1) Please add small license for small crypto exchange similar to money exchange license Many of our shops are already doing KYC and Identity check for AML which are required in the money exchange license and it is more reasonable that we obtain a license similar to money exchange license than a Full exchange license similar to the Bank license.
- 2) If the government is worried about the risk of selling cryptocurrencies to small investor, you can restrict us to only selling stable currencies like USDT / BUSD / USDC. They are more stable than foreigner currencies and there is no reason to say that they are risky.
- 3) Allow small crypto exchange to do business with small investor. It is meaningless for us to only do business with professional investors because it is not our target customers. You may add restriction to limit the maximum amount person can buy in a given time.
- 4) Please consult our industry properly before introducing a law that will close all our business down. We are also the stakeholders of the crypto industry. Kindly forward my petition letter to the proper team for this legislation as I have no way to find or contact.

Many thanks and hope that my business will not be ended entirely for being omitted in the legislation. Angus Sze Tel: [REDACTED]