



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

Type 13 Regulated Activity (“RA 13”) – Regulatory Regime for Depositories of SFC-authorized Collective Investment Schemes

12 June 2023

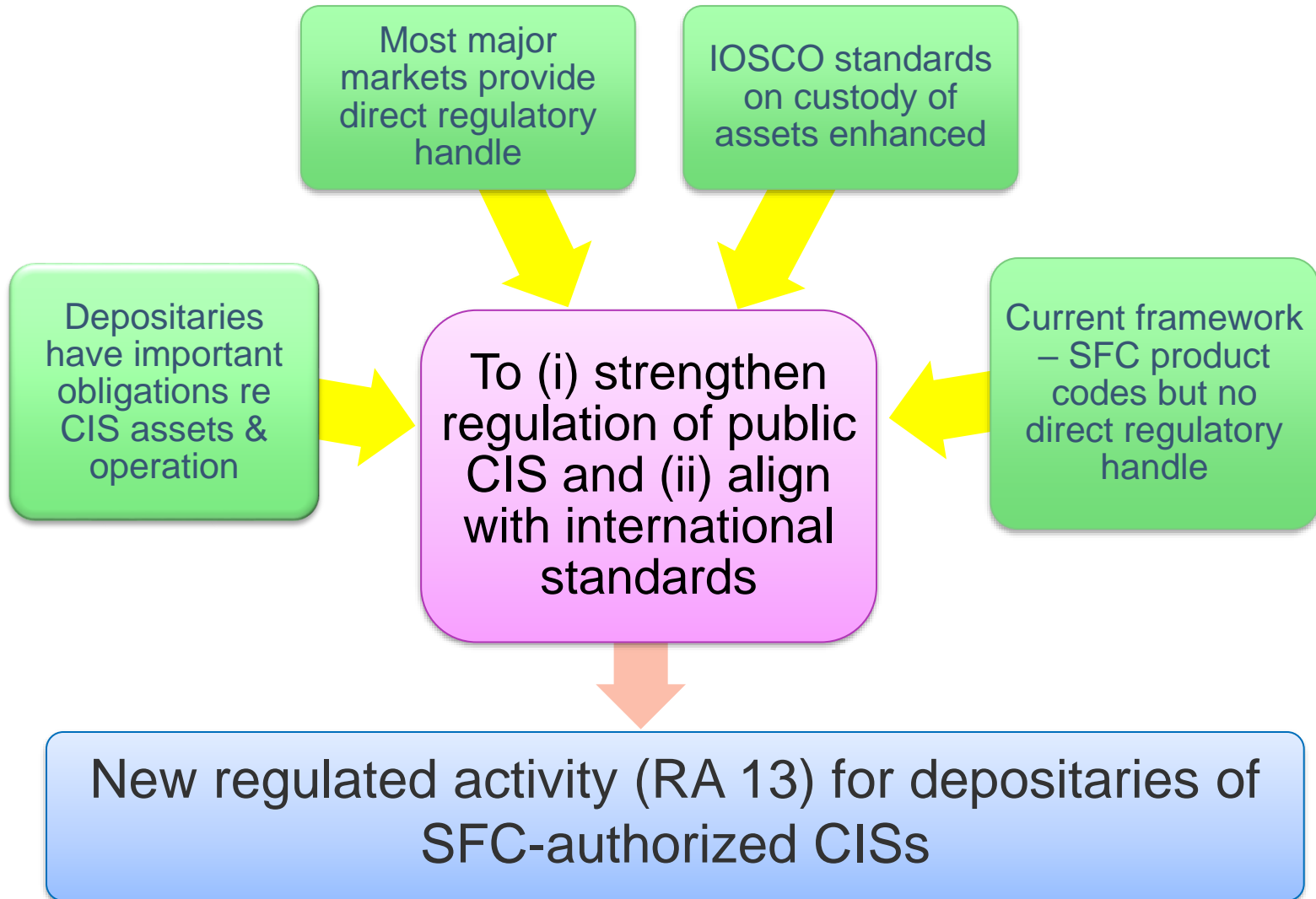
Agenda

- 1. Overview of RA 13**
- 2. Licence / registration applications for firms and individuals**
- 3. Ongoing reporting obligations**
- 4. Q&As**

1

Overview of RA 13

Overview



Definition of RA 13

Providing depositary services for relevant CISs

with two key functions
embedded in the definition

Custody and safekeeping of
relevant CIS property

+

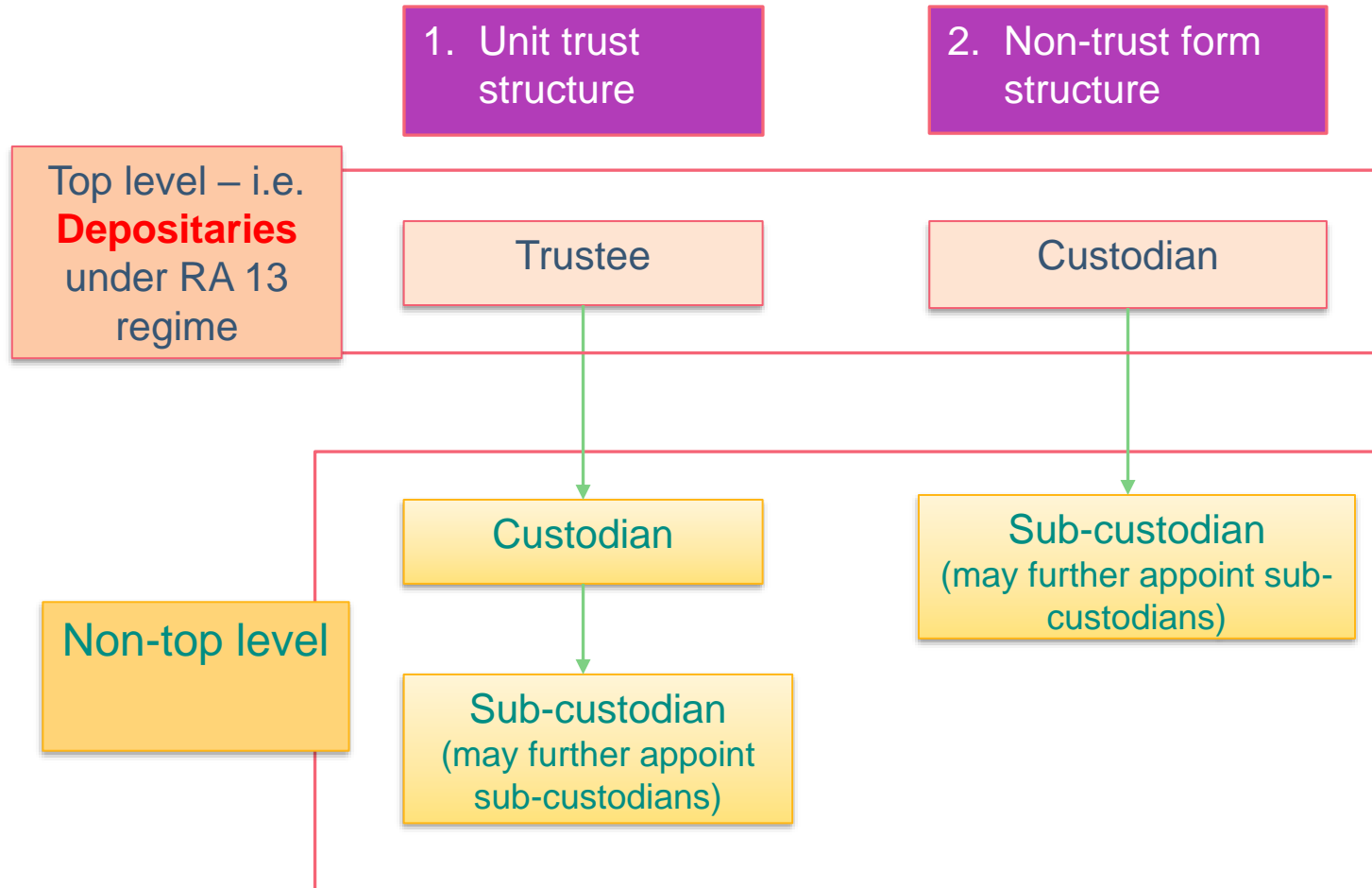
Oversight of CIS to ensure that
it is operated in accordance with
its **scheme documents**

❖ Defined in Schedule 5 to SFO

Definition of RA 13

- ❖ **Type 13 – providing depositary services for relevant CISs**
- ❖ ***Providing depositary services for relevant CISs***
means providing both of the following services for 1 or more relevant CISs by a depositary (other than a delegate or subdelegate of the depositary, irrespective of whether the delegate or subdelegate is appointed by the depositary) –
 - (a) custody and safekeeping of relevant CIS property;
 - (b) oversight of the relevant CIS to ensure that it is operated in accordance with its scheme documents

Scope – Entities



❖ “Depository” defined in Schedule 5 to SFO

Definition of Depositary

- ❖ ***Depositary***, in relation to a relevant CIS, means –
- (a) if the relevant CIS is constituted in the form of a trust –
the person who is appointed as a trustee under the trust deed constituting or governing the relevant CIS; or
 - (b) if the relevant CIS is constituted in any other form –
 - (i) the person who is appointed as the custodian (by whatever name called) of the relevant CIS under a written agreement entered into by the person with the relevant CIS; or
 - (ii) the person who, under an arrangement made with the relevant CIS, is in fact the custodian of the relevant CIS

Scope – Products

❖ Relevant CISs (defined in Schedule 5 to SFO)

Includes
all SFC-
authorized
CISs

- Unit trusts (including retail APIFs)
- Public OFCs
- REITs
- Pooled retirement funds

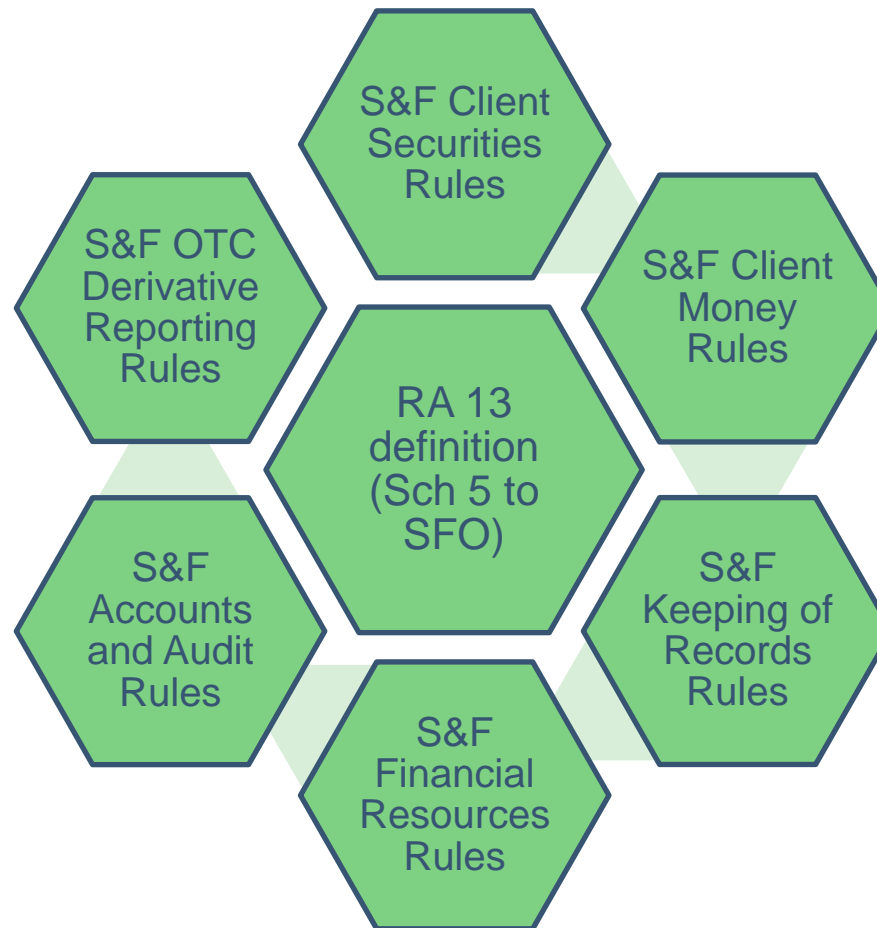
Except
MPF
products

- MPF schemes
- Constituent funds
- Non-retail APIFs

Definition of Relevant CIS

- ❖ **Relevant CIS** means a collective investment scheme authorized under section 104 of the SFO other than any of the following –
- (a) a registered MPF scheme or a constituent fund of the registered MPF scheme;
 - (b) an APIF offered only to all or any of the following –
 - (i) professional investors;
 - (ii) employers (as defined under MPFSO);
 - (iii) pooling agreements (as defined under ORSO)

Key relevant legislation



- ❖ S&F Contract Notes Rules – disapplied for RA 13 depositaries
- ❖ S&F Insurance Rules – RA 13 depositaries are not required to take out insurance pursuant to these rules

Key relevant legislation (cont'd)

Subleg	Key RA 13 requirements
S&F Client Securities Rules (Cap. 571H)	The Client Securities Rules set out requirements on how intermediaries should handle client securities. RA 13-specific requirements, including the proper handling of scheme securities received or held in Hong Kong by depositaries or their associated entities (“AEs”) in the conduct of RA 13, are introduced.
S&F Client Money Rules (Cap. 571I)	The Client Money Rules set out requirements on how licensed corporations (“LCs”) should handle client money. RA 13-specific requirements, including the proper handling of scheme money received or held in Hong Kong in the conduct of RA 13 by LCs or their AEs through segregated accounts established and maintained with banks, are introduced.
S&F Keeping of Records Rules (Cap. 571O)	The Keeping of Records Rules specify the records that intermediaries and their AEs must keep and the manner in which they are kept. Requirements for RA 13 depositaries and their AEs, including keeping of records relating to the financial position and operation of depositaries and the property that belongs to relevant CISs, are introduced.

Key relevant legislation (cont'd)

Subleg	Key RA 13 requirements
S&F Financial Resources Rules (Cap. 571N)	The Financial Resources Rules set out the ongoing obligations of LCs to ensure that they maintain adequate financial resources. RA 13-specific requirements are introduced, these include stipulating specific minimum amount of paid-up share capital (HK\$ 10,000,000) and required liquid capital (HK\$3,000,000), revising relevant liquid capital computation and reporting requirements, requiring submission of monthly financial returns and analysis of relevant CIS property.
S&F Accounts and Audit Rules (Cap. 571P)	The Accounts and Audit Rules set out the financial statements and other documents that LCs and their AEs need to prepare and the auditor's reporting responsibilities. RA 13-specific requirements on financial returns are introduced.

Key relevant legislation (cont'd)

Subleg	Key RA 13 requirements
S&F OTC Derivative Reporting Rules (Cap. 571AL)	<p>The OTC Derivative Reporting Rules set out the mandatory reporting and record-keeping requirements which are triggered if an LC or registered institution is a counterparty to a specified OTC derivative transaction or has conducted the transaction in Hong Kong. In line with the existing arrangement, an RA 13 depositary is exempted from the reporting obligations where it is a counterparty to an OTC derivative transaction in its capacity as a trustee of an SFC-authorized CIS. It should be noted that the depositary is still subject to relevant record keeping obligations under the OTC Derivative Reporting Rules.</p>

Key defined terms relevant to RA 13

Term	Defined in	High-level meaning
Relevant CIS property	<ul style="list-style-type: none"> Sch 5 to SFO 	<ul style="list-style-type: none"> The property held on or subject to trust under the trust deed (for relevant CIS in trust form); or The property of the relevant CIS (for relevant CIS in any other form)
Scheme documents	<ul style="list-style-type: none"> Sch 5 to SFO 	<ul style="list-style-type: none"> For relevant CIS is in trust form – the trust deed; or For relevant CIS is in any other form – the documents governing the formation or constitution of the relevant CIS; and Other documents setting out requirements relating to the two regulated functions

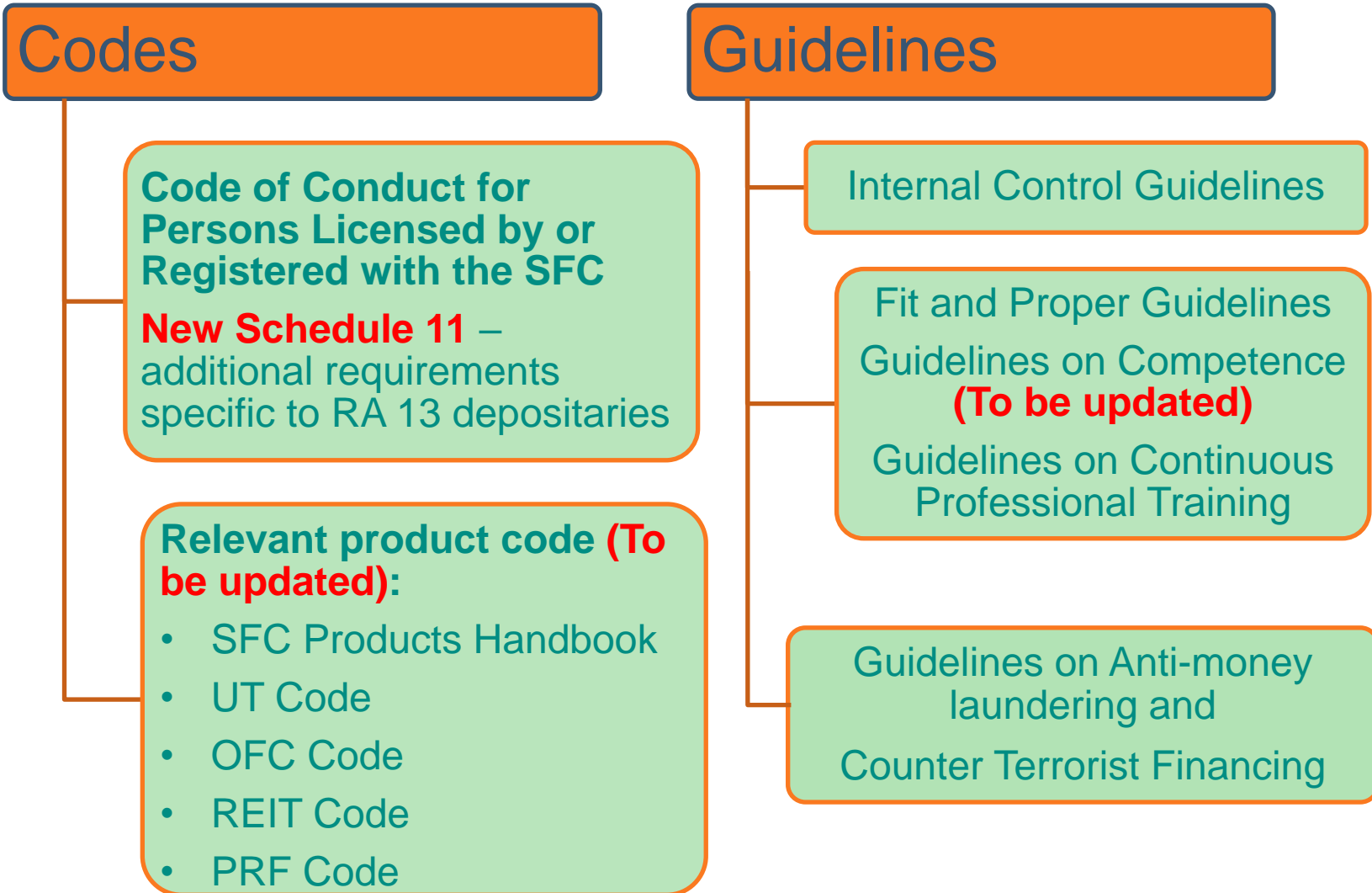
Key defined terms relevant to RA 13 (cont'd)

Term	Defined in	High-level meaning
Scheme securities	<ul style="list-style-type: none"> Client Securities Rules 	<p>Client securities that are –</p> <ul style="list-style-type: none"> either (i) listed or traded on Hong Kong Stock Exchange; or (ii) interests in SFC-authorized CIS; and received or held <u>in HK</u> by the intermediary in the course of conduct of RA 13; or received or held <u>in HK</u> by any corporation in a controlling entity relationship with the intermediary, in relation to such conduct of RA 13; constituting relevant CIS property in respect of a relevant CIS
	<ul style="list-style-type: none"> Keeping of Records Rules Accounts and Audit Rules 	<p>Includes scheme securities received or held <u>in HK or overseas</u> constituting relevant CIS property</p>

Key defined terms relevant to RA 13 (cont'd)

Term	Defined in	High-level meaning
Scheme money	<ul style="list-style-type: none"> Client Money Rules 	<p>In relation to a LC, client money –</p> <ul style="list-style-type: none"> received or held <u>in HK</u> by the LC in the course of conduct of RA 13; or received or held <u>in HK</u> by any corporation in a controlling entity relationship with the LC, in relation to such conduct of RA 13; constituting relevant CIS property in respect of a relevant CIS, and includes any accretions to it whether as capital or income
	<ul style="list-style-type: none"> Keeping of Records Rules Financial Resources Rules Accounts and Audit Rules 	<p>Includes scheme money received or held <u>in HK or overseas</u> constituting relevant CIS property, and includes any accretions to it whether as capital or income</p>
Scheme assets	<ul style="list-style-type: none"> Keeping of Record Rules Accounts and Audit Rules 	<p>Scheme money and scheme securities (received on held in HK or overseas)</p>

Key codes and guidelines



Appendix G internal control reports

- ❖ Appendix G report requirement (under current UT Code) to be removed upon RA 13 coming into effect
- ❖ For the period from the end of a depositary's 2023 financial year end (typically 1 Jan or 1 April 2024) to 2 Oct 2024 (i.e. the effective date of RA 13)
 - Depositaries may provide a **senior management confirmation and undertaking** in lieu of the Appendix G report along the following lines:
 - *“Senior management of [name of firm] confirms and undertakes that there will not be any material changes to its internal controls and systems in respect of SFC-authorized funds that it has put in place for compliance with the UT Code for the period between the end of its last financial year (i.e. [date]) and the effective date of RA 13 (i.e. 2 October 2024). If there is any material changes to its internal controls and systems or non-compliance with applicable requirements under the UT Code during such period, it will inform the SFC immediately.”*
- ❖ To be submitted together with the last Appendix G report in respect of the 2023 financial year

AML/CFT issues

- ❖ Same as all FIs, a depositary is generally expected to conduct CDD measures on the relevant CIS, whether it is in trust, corporate or other form

Depositary may carry out CDD measures on the management company of the relevant CIS (“Manco”) instead, if:

Manco is an
LC or registered
institution (“RI”)

Underlying investors
of the relevant CIS
have no control over
the management of
the CIS’s property;
AND

Manco has put in place
measures to carry out CDD
(either by itself, or through
an institution appointed by
the relevant CIS or the
Manco) on all investors of
the relevant CIS in
accordance with AMLO
requirements

- ❖ FAQs to be issued in due course

2

Licence / registration applications for firms and individuals

Licensing overview for RA 13

❖ Built upon existing licensing framework under Part V of the SFO

- Firms carrying on RA business in HK should hold a licence or registration for that RA
 - RA 13 : Capture only trustees and custodians at the top of the custodial chain
- Individuals performing regulated functions for the firms should be licensed representatives or relevant individuals accredited to the firms
 - RA 13 : Focus on staff responsible for custody function and oversight function
- Assessment criteria – Fit and proper
 - RA 13 : Current *Fit and Proper Guidelines* equally apply (with grandfathering arrangements to exempt local regulatory papers during transitional period)

❖ Amended licensing forms to cater for RA 13 applications

- Electronic application forms on WINGS (<http://wings.sfc.hk>)
- Announcement to be made (tentatively, in July 2023)
- Pre-existing depositaries to submit licence/registration applications within 4 months of the launch of the forms

Individuals to be licensed or registered for RA 13



Custody and safekeeping of relevant CIS property

- ❖ Staff assuming oversight duties over the performance of the custody function; and
- ❖ Staff empowered to approve instructions or transactions for custody-related purposes (eg, approving payments or asset transfers, signing-off cash reconciliation), where applicable



Oversight of the operation of relevant CISs

- ❖ Staff assuming oversight duties to ensure the CIS operates in accordance with scheme documents
- ❖ Encompass the monitoring of various operations, eg, compliance with investment and borrowing restrictions, cash flow, fund accounting and valuation, and the issue, repurchase, redemption and cancellation of the CIS units or shares

Individuals to be licensed or registered for RA 13 (cont'd)

- ❖ If a **depository** also acts as the fund administrator, transfer agent or registrar for a relevant CIS, staff of the depository who are engaged to provide such services are generally not required to be licensed, unless they also have an oversight responsibility in respect of these operations based on the particular business model and governance structure adopted by the depository.
- ❖ **Staff of other entities** (such as sub-custodians, fund administrators, transfer agents) performing delegated functions are generally not required to be licensed. Instead, staff of the depository who oversee the operations of these functions should be licensed.
- ❖ **Compliance officers of a depository** are not required to be licensed if they only carry out the compliance function of the depository, such as performing internal reviews, or providing internal compliance advice, on the work conducted by the depository's licensed staff to ensure compliance with internal policies and applicable regulations.

Fit and proper criteria

❖ Section 129 of the SFO:

- financial status or solvency
- educational or other qualifications or experience
- ability to carry on RA competently, honestly and fairly
- reputation, character, reliability and financial integrity
- information relating to substantial shareholders and officers
- any information SFC or HKMA may consider relevant

❖ Refer to *Fit and Proper Guidelines*

Competence requirements

❖ For corporate applicants

- Business model
- Corporate Governance
- Risk Management
- Internal Control
- Compliance
- Conflicts of Interest
- Staff competencies

❖ For individual applicants

- Academic or professional qualifications
- Relevant industry experience
- Management experience
- Local regulatory papers (“LRP”) & recognized industry qualification (“RIQ”)
 - Grandfathering arrangement for RA 13 during transitional period (see Slide 35)
 - Hong Kong Securities and Investment Institute to administer RA 13 exams in due course

❖ Refer to *Guidelines on Competence*

Key aspects in assessing corporate licence applications



Information required from LC applicants (in application forms)

- ❖ **Shareholding chart** showing all corporate and individual shareholders
- ❖ Information of all **substantial shareholders** and **AEs** (defined in SFO)
- ❖ **Questionnaire** on business profile and internal control summary
- ❖ **Operational flowcharts** describing proposed business operations
- ❖ **Organisational chart** depicting the governance structure, operational units, key management staff and their reporting lines
- ❖ Information of all **directors, proposed ROs** and **MICs**
- ❖ Details of **financial strength** to meet the required financial resources requirements for RA 13 (i.e. minimum amount of paid-up share capital of HK\$10 million and require liquid capital of HK\$3 million)
- ❖ **Disclosure** of involvement in any disciplinary actions or proceeding pending or in the past 5 years in Hong Kong and elsewhere, etc.

Managers-in-Charge of LCs

- ❖ **Senior management of an LC include, but not limited to, the LC's:**
 - Directors
 - ROs
 - MICs (who are appointed to be in charge of one or more core functions (see next Slide) and report directly to the Board or the OMO of the LC)
- ❖ **An LC's Board has the ultimate responsibility for delegated decisions and is required to have systems and controls in place to supervise those who act under the delegated authority**
- ❖ **The Board should adopt a formal document setting out clearly:-**
 - the management structure of the LC, and
 - the senior management personnel deployed, including their role, responsibilities and reporting lines appointed by the Board or its delegate

Note: SFC may request an LC to provide the document for review, if necessary

Managers-in-Charge of LCs (cont'd)

- ❖ Identify MIC(s) for each of the 8 core functions



Managers-in-Charge of LCs (cont'd)

❖ For each MIC appointment:-

- submit the MIC's full name, ID information, job title and reporting line
- ensure that the LC's Board approves (and the MIC acknowledges) such appointment

❖ Many larger or multinational LCs may have more complex management and reporting structure

- Our primary focus is on the managerial staff who have sufficient authority and are closely involved in managing the day-to-day operations of an LC
- These managerial staff should be reporting directly to the Board or the CEO of the LC, on top of other reporting lines (if any)
- The same Core Function may be headed by more than one MIC

❖ MICs who do not carry on any RAs (eg, Chief Finance Officer, Chief Compliance Officer) are not expected to be licensed

- For avoidance of doubt, there will be no regulatory approval or examination requirements for these MICs

Managers-in-Charge of LCs (cont'd)

- ❖ Refer to SFC's **Circular regarding Measures for Augmenting the Accountability of Senior Management** dated 16 December 2016 and related **FAQs**
- ❖ For RIs or RI applicants, please refer to HKMA's **Circular regarding Management Accountability at Registered Institutions** issued on 16 Oct 2017
- ❖ RIs are required to submit their management structure information and organisational charts (and ongoing changes) to HKMA (RI_management_info@hkma.iclnet.hk) and SFC (mpira@sfc.iclnet.hk) using standardized forms

Competence requirements for ROs / executive officers (“EOs”)

(Para. 4.2.1 of Guidelines on Competence)

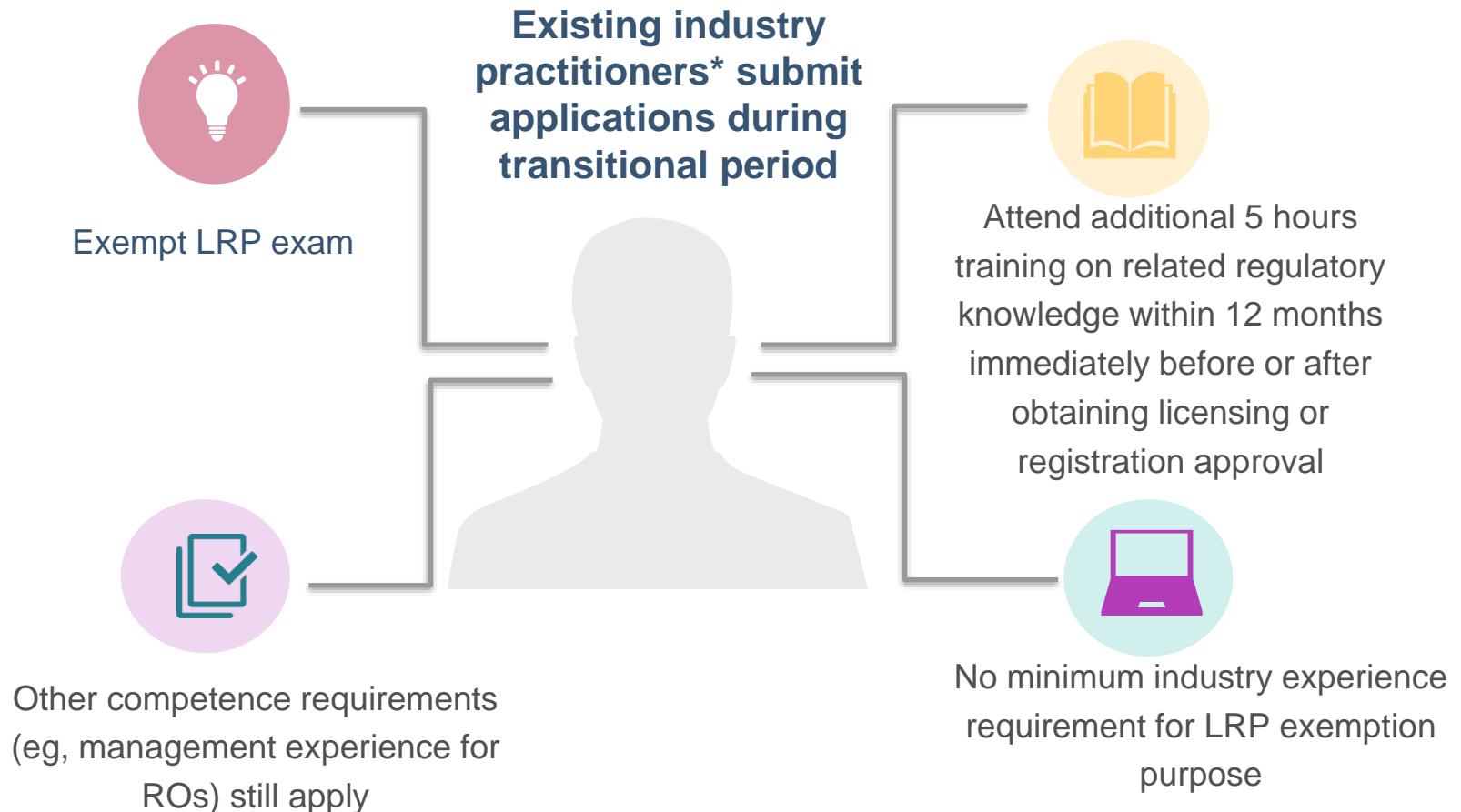
	Option A	Option B	Option C	
Academic or professional qualifications	Degree in designated fields (eg, accounting, law, finance); Other degree (with passes in at least two courses in designated fields); or Professional qualifications	Other degree (without passes in two courses in designated fields)	Attained Level 2 in either English or Chinese as well as in Mathematics in the HKDSE or equivalent	
Relevant industry experience	At least 3 years over past 6 years	At least 3 years over past 6 years	At least 3 years over past 6 years	At least 5 years over past 8 years
RIQ or Extra continuous professional training (CPT)	—	Obtained relevant RIQ or completed relevant Extra CPT	Obtained relevant RIQ	Completed relevant Extra CPT
Management experience	2 years	2 years	2 years	
LRP	Pass	Pass	Pass	

Competence requirements for Licensed Representatives (“LRs”) / Relevant Individuals

(Para. 4.3.1 of Guidelines on Competence)

	Option A	Option B		Option C	
Academic or professional qualifications	Degree in designated fields (eg, accounting, law, finance); Other degree (with passes in at least two courses in designated fields); or Professional qualifications	Other degree (without passes in two courses in designated fields)		Attained Level 2 in either English or Chinese as well as in Mathematics in the HKDSE or equivalent	
Relevant industry experience	—	At least 2 years over past 5 years	—	At least 2 years over past 5 years	—
RIQ or Extra CPT	—	—	Obtained relevant RIQ or completed relevant Extra CPT	Completed relevant Extra CPT	Obtained relevant RIQ
LRP	Pass	Pass		Pass	

LRP exemption under grandfathering arrangement for RA 13

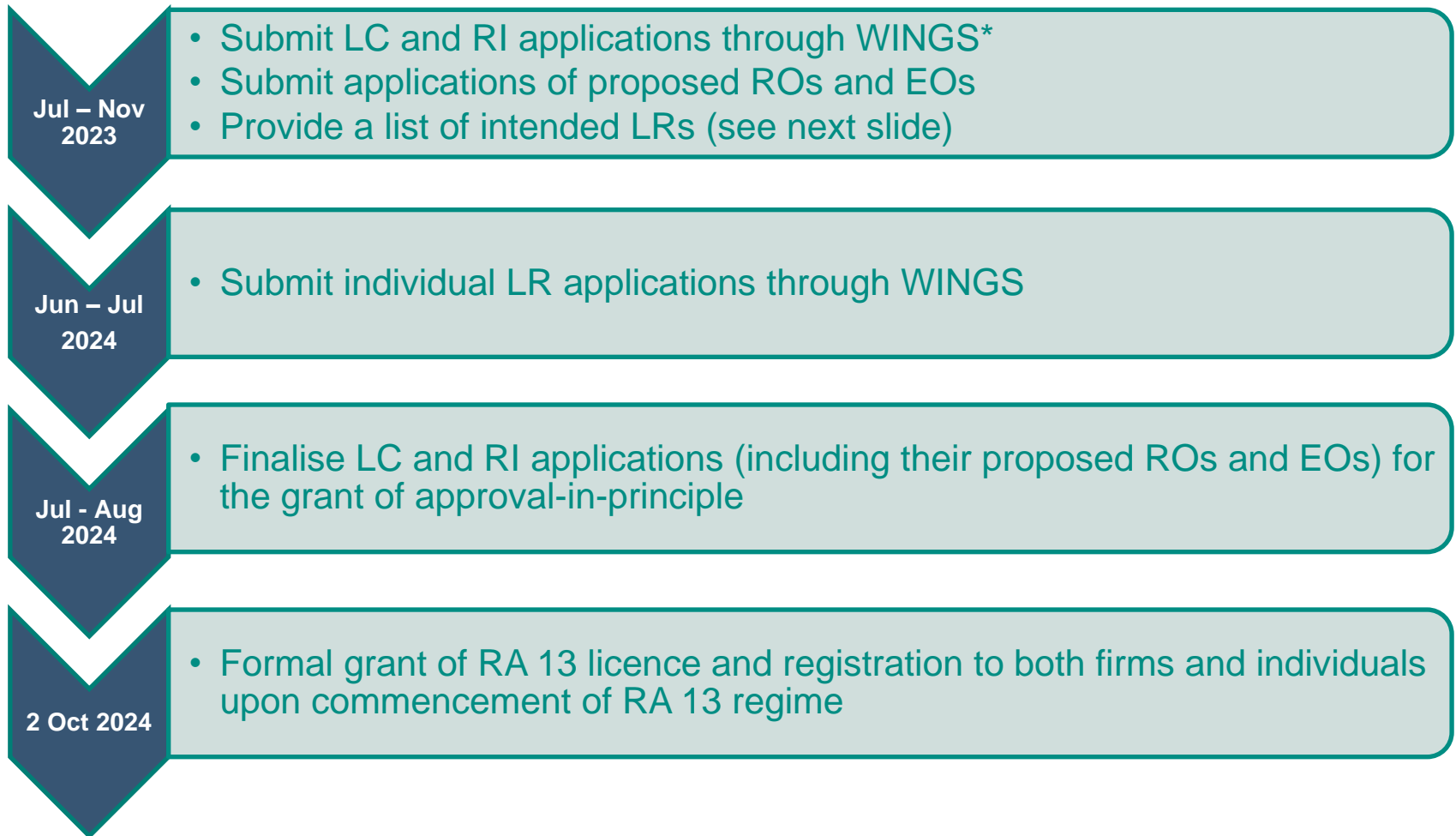


* Including individuals seeking to be ROs or LRAs of LCs, or EOs or relevant individuals of RIs

Registration process for RIs

- ❖ Applicant must be an authorised financial institution authorised by HKMA under the Banking Ordinance (“BO”)
- ❖ SFC to refer the RI application to HKMA for consideration
- ❖ HKMA to consult SFC on the merits of the application
- ❖ SFC to consider HKMA’s advice in deciding whether or not to grant the registration
- ❖ At least 2 EOs proposed for HKMA’s consent under the BO
- ❖ RI to file the names of its “relevant individuals” onto HKMA’s Register
- ❖ RI’s EOs and relevant individuals are subject to the same competence requirements applicable to LC’s ROs and LRs respectively

Timeline for submitting RA 13 applications



* SFC will make announcement when WINGS begins to accept RA 13 applications (tentatively in Jul 2023).

Procedure to submit LR applications

- ❖ In view of potential staff changes of prospective RA 13 LCs, LR applications can be submitted at a later stage of the transitional period (i.e. in June 2024 and July 2024)
- ❖ For resources planning purposes, we will request an RA 13 LC applicant to provide a list of its intended LR applicants to be accredited to the firm to carry on RA 13 (“LR List”)
- ❖ The LR List will include the following information for each intended LR:
 - Full name
 - Identification number (eg, HKID, passport number)
 - Date of birth
 - Competence Option A, B or C (refer to Guidelines on Competence)
- ❖ Update SFC of any changes to the LR List during the transitional period

Application forms and supporting documents

Entity	Forms
Non-bank corporations	<ul style="list-style-type: none"> • Form 1 – Application for Licence – Corporation • Form 2 – Post-licence Application by Licensed Corporation • Form 9 – Notification and Application by Associated Entity • Supplement 1 – Information on Corporation • Supplement 2 – Personal Information • Supplement 3 – Bank Accounts and Financial Information • Questionnaire 1 – General Business Profile and Internal Control Summary
Individuals applying as ROs and LRs	<ul style="list-style-type: none"> • Form 5 – New Licence Application for Responsible Officer or Licensed Representative • Form 6 – Post-licence Application for Responsible Officer or Licensed Representative
Authorised financial institutions	<ul style="list-style-type: none"> • Form 3 – Application for New Registration (For Authorized Institution Only) • Form 4 - Post-registration Applications (For Registered Institution Only) • Note: Submit EO applications directly to HKMA

WINGS platform

Licensing forms

Forms

1 - Application for Licence - Corporation

Access the form

2 - Post-licence Application by Licensed Corporation

Access the form

3 - Application for New Registration (For Authorized Institution Only)

Access the form

4 - Post-registration Applications (For Registered Institution Only)

Access the form

5 - New Licence Application for Responsible Officer or Licensed Representative

Access the form

6 - Post-licence Application for Responsible Officer or Licensed Representative

Access the form

7 - New Substantial Shareholder Application

Access the form

8 - Notification by Substantial Shareholder

Access the form

9 - Notification and Application by Associated Entity

Access the form

Questionnaire 1 - General Business Profile and Internal Control Summary

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

New Form

Upload Form

Merge

Download

Print

I

II

III

IV

V

VI

VII

VIII

IX

X

XI

XII

XIII

Basic Information

Business Profile

Corporate Governance

Risk Management

Operational Control and Review

Know Your Client ("KYC") and Client Onboarding

Managing Conflicts of Interest

Safeguarding of Client Assets

Compliance

Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CTF")

Personnel and Training

Attachment

Signature

Part III - Corporate Governance

Help

Licensing Handbook

Corporate Governance

1 Do you have any written policies and control procedures to ensure that your board of directors

a) establish a management structure which includes the roles, responsibilities, accountability and reporting lines of your senior management;

☐ Yes

☐ No

☐ N/A

b) oversee the appointment of your senior management;

☐ Yes

☐ No

☐ N/A

c) establish systems and controls to supervise your senior management and supervisory staff members who act under the delegated authority by your board of directors;

☐ Yes

☐ No

☐ N/A

d) establish systems and controls to monitor and regularly evaluate the performance of your senior management in their respective areas of responsibility; and

☐ Yes

☐ No

☐ N/A

e) establish policies to ensure that the senior management have access to regular training to maintain and enhance their

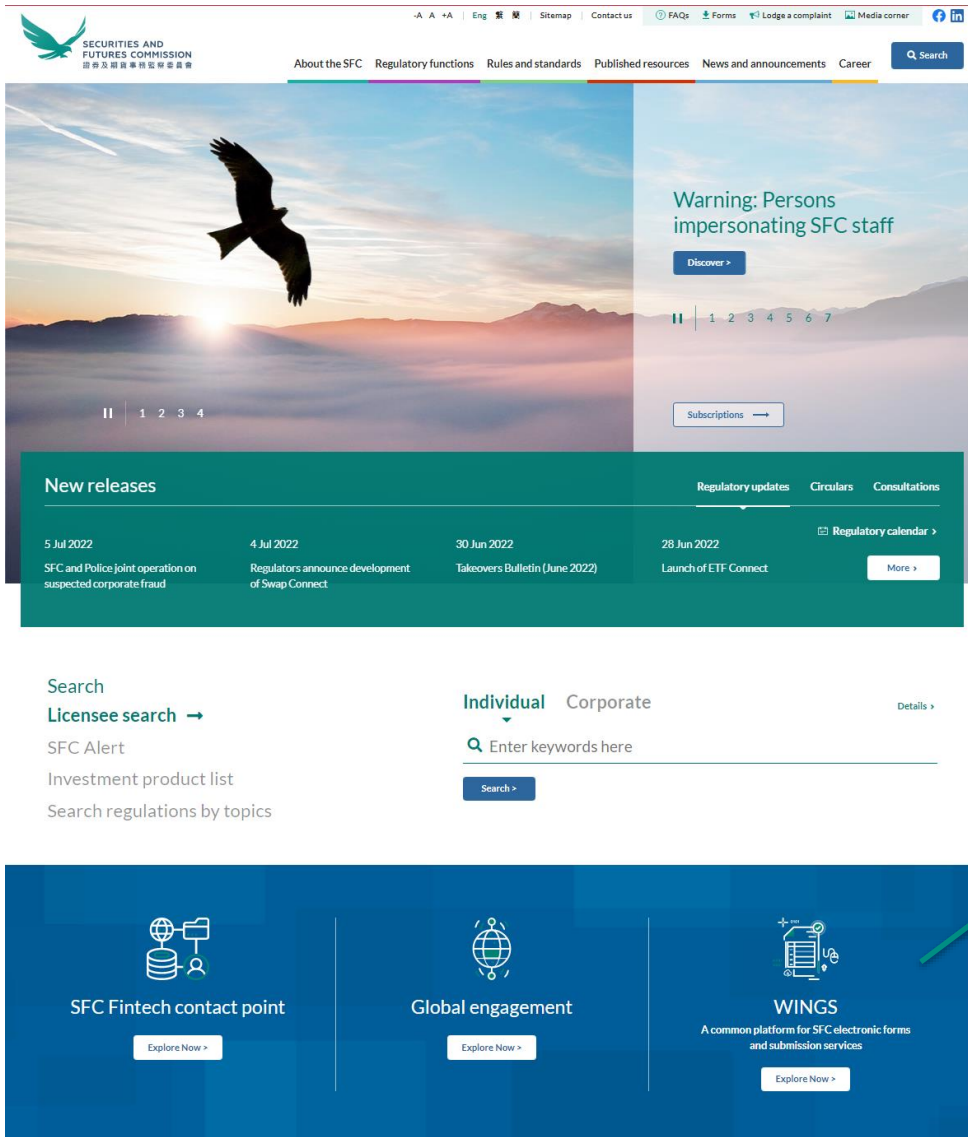
☐ Yes

☐ No

40

WINGS platform (cont'd)

Access to the WINGS Platform (<https://wings.sfc.hk>)



The screenshot shows the SFC website with the WINGS platform prominently featured. The header includes the SFC logo and navigation links. The main content area displays a large banner with a bird in flight, a warning about impersonating SFC staff, and a section for new releases. The WINGS platform is highlighted as a common platform for SFC electronic forms and submission services.

Warning: Persons impersonating SFC staff
Discover >

New releases

Regulatory updates	Circulars	Consultations
<p>5 Jul 2022</p> <p>SFC and Police joint operation on suspected corporate fraud</p>	<p>4 Jul 2022</p> <p>Regulators announce development of Swap Connect</p>	<p>30 Jun 2022</p> <p>Takeovers Bulletin (June 2022)</p>
<p>28 Jun 2022</p> <p>Launch of ETF Connect</p>	<p>Regulatory calendar ></p>	

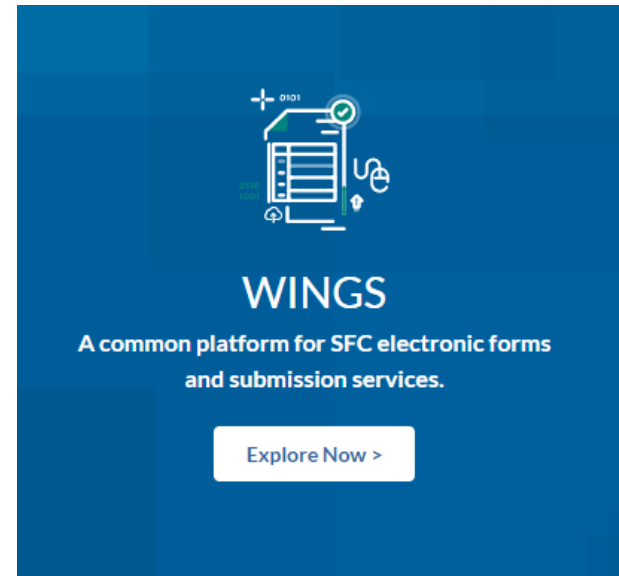
Search
Licensee search →
SFC Alert
Investment product list
Search regulations by topics

Individual Corporate
Enter keywords here
Search >

SFC Fintech contact point
Explore Now >

Global engagement
Explore Now >

WINGS
A common platform for SFC electronic forms and submission services
Explore Now >



WINGS
A common platform for SFC electronic forms and submission services.
Explore Now >

WINGS platform (cont'd)

Create an application bundle and add forms



Submission Bundle - Licensing Applications

(WINGS Individual Account)
Last login: 10:35 am, 28/04/2023

Dashboard Submission Management **2** Fee and Payment WINGS Mail Information Profile

Status: Draft

Important:

- (1) If you are submitting on behalf of a corporation, please ensure you have the permission right to submit. SFC may return the submission should it contain applications from unrelated corporations.
- (2) If you are submitting a notification on behalf of a licensed corporation for its appointment of a director, please complete supplement 1 (for a corporate director) or supplement 2 (for an individual director); and submit the form by editing the profile of the licensed corporation under "Information Profile" or "Submission Management -> Profile Maintenance". Please click [here](#) for more details.
- (3) If you are submitting a notification on behalf of a licensed virtual asset trading platform for its appointment of a director, please complete supplement VA1 (for a corporate director) or supplement VA2 (for an individual director); and submit the form by editing the profile of the licensed virtual asset trading platform under "Information Profile" or "Submission Management -> Profile Maintenance".

New Bundle Help

No. of entities in the bundle **0**

1. Add
Select forms from our list or upload them from your computer.

2. Validate
Check if the forms are properly filled in.

3. Sign
Sign the forms yourself or send it to relevant parties via email for their signature.

SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

All forms Intermediaries Trading Takeovers and mergers Disclosure of interests Investment products 中文 Sign in

WINGS

A common platform for SFC electronic forms and submission services.

Sign In

Username

Password

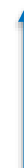
Forget your username and/or password?
Lost your account activation letter/email?

Sign In

* Existing SFC online portal users can use your portal account to sign in

Sign In with WINGS Mobile App

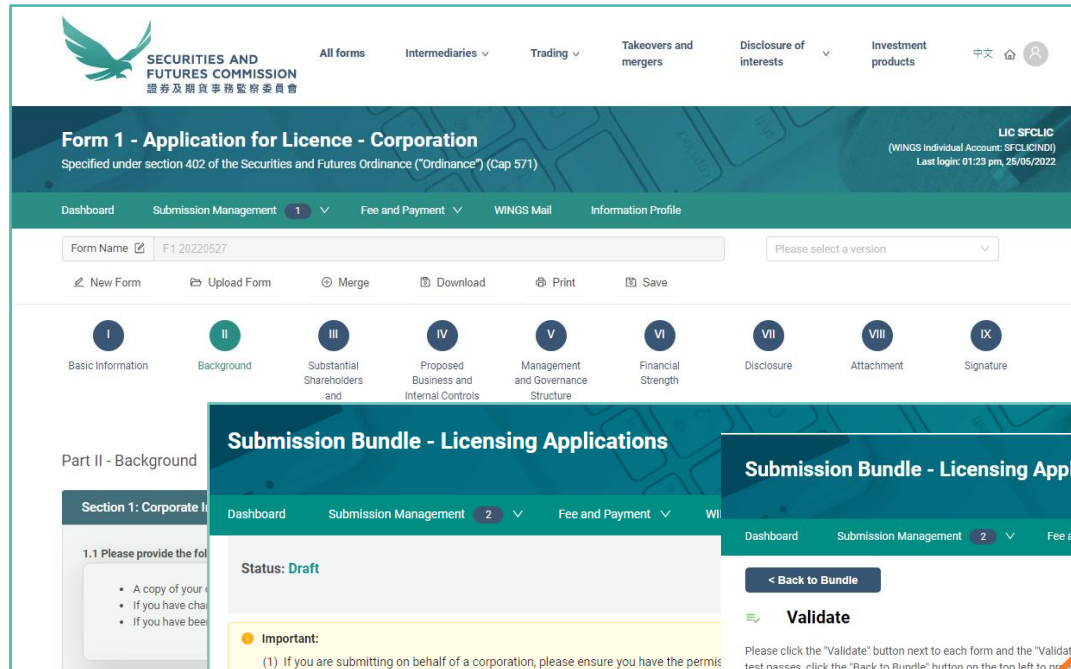
Sign Up



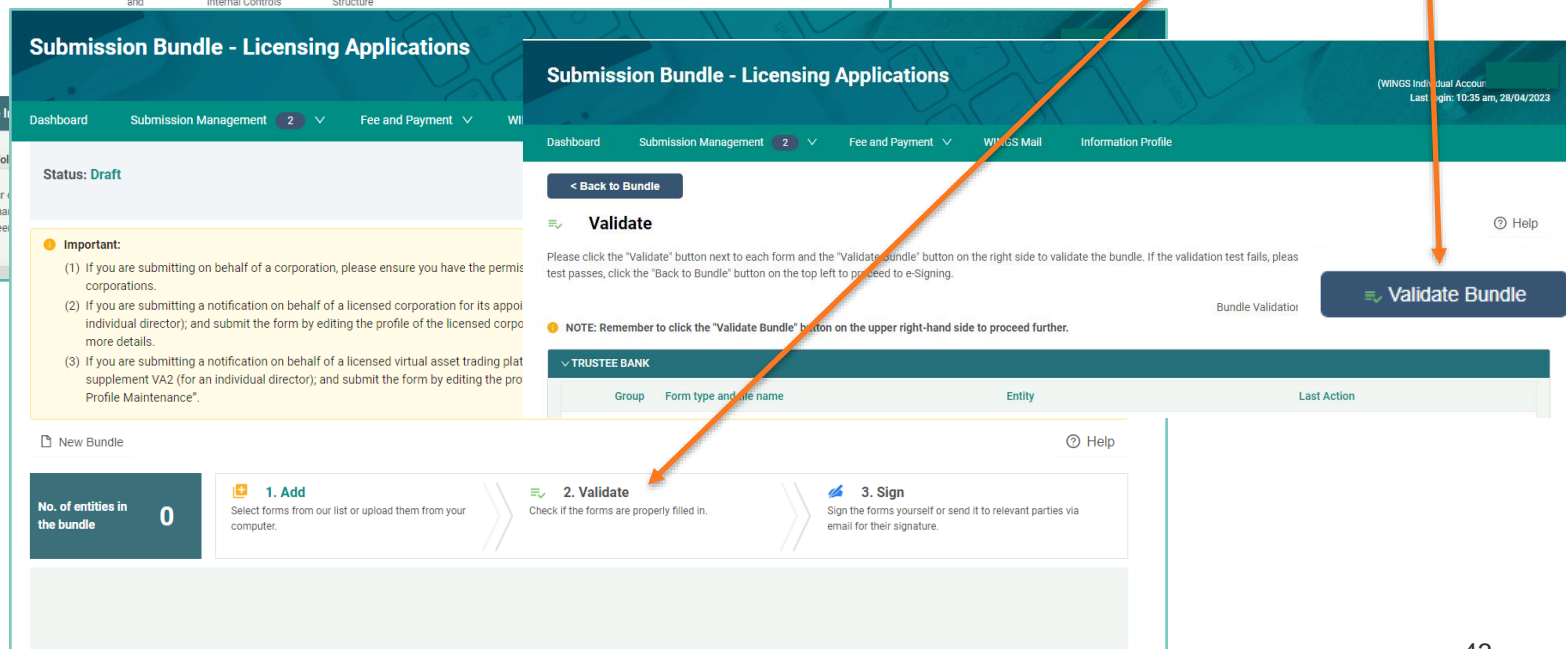
Login to the WINGS Account

WINGS platform (cont'd)

Open and fill the form



Validate the form and bundle



WINGS platform (cont'd)

E-sign the form

• Declare that the Board of Directors has passed a board resolution appointing me as the corporation's:

☐ Principal as defined under the Sponsor Guidelines.

☐ Director and responsible officer to supervise the regulated activities for which I will be responsible (where the applicant is a director).

This field is mandatory.

☐ Responsible officer and granting me sufficient authority to supervise the regulated activities for which I will be responsible (where the applicant is not a director).

Please enter in the "Signature" box.

By typing in my name and clicking on "Sign", I agree that I will be signing this document electronically and my electronic signature will be legally binding on me to the same extent as a wet-ink signature.

This field is mandatory. Date

Signature

Submit the application bundle

Dashboard
Submission Management 10
Fee and Payment
WINGS Mail
Information Profile

Submission Acknowledgement
Your application has been submitted.
The reference ID is **LBAA89455A**
You can find your submission record(s) in Submission Tracking.
Submission Date: **16/05/2022**
Submitted By: XXXXXXXXXX

You will be able to check the progress of your application in the WINGS account that you submit your application. Once your application is accepted, you will receive a WINGS Mail message requesting payment of the required application fee if applicable. You should pay the required application fee through the online payment facility on WINGS.

OK

15/11/2021 11:47:52
Bundle ID: XXXXXXXXXX
Revision: R1

Submit

ing on behalf of a corporation, please ensure you have the permission right to submit. SFC may return the submission should it contain applications from unrelated

Bundle
Share Bundle Audit Log
View Bundle Summary
Help

1. Add
Select forms from our list or upload them from your computer.

2. Validate
Check if the forms are properly filled in.

3. Sign
Sign the forms yourself or send it to relevant parties via email for their signature.

Merge
Save time and combine two forms sharing the same form type.

Edit Group

44

WINGS platform (cont'd)

Settle the fee after SFC accepted the application

Fee and Payment

MAK30)

(WINGS Individual Account: 530)

Last login: 05:57 pm, 16/05/2022

DashboardSubmission Management▼Fee and Payment▼WINGS MailInformation ProfileCorporate Account Administration

Outstanding Fee (19)Outstanding Invoice (1)Transaction HistoryMonthly StatementHelp

Total Number of Invoice Item(s): 1Total Invoice Amount: \$800.00

This page shows all the outstanding invoices created by you or you as the billing entity on the invoices. If you are using an individual account or sub-account for login, you can pick either a single invoice or multiple invoices with the same billing entity for payment now.

Search

Note: If you intend to settle multiple invoices, you can only select:

- Invoices of the same department
- Invoice with the same billing Entity/CE for WINGS Payment

Pay

<input type="checkbox"/>	Issue Date ▼	Type of Charges ▼	Invoice Number ▼	Charge Entity Name ▼	Billing CE Ref ▼	Amount ▼	Status ▼
<input type="checkbox"/>	16/05/2022	Licensing	1222-21	ALs L...	AL	\$800	Pending payment selection

4 Payment Methods



Via Shop & Buy



Credit Card



WINGS.Pay

WINGS platform (cont'd)

- ❖ Online demos for WINGS are available on SFC Website (<https://wings.sfc.hk/main/#/en/demo-video>)

Ongoing CPT requirements

Corporations' obligations:

- plan and implement a suitable continuous education programme for staff
- keep records of programmes and CPT activities for a minimum of three years

Minimum requirement per **calendar year**:

- 10 CPT hours for LR and relevant individuals
- 12 CPT hours for ROs and EOs (include 2 hours on regulatory compliance)
- **pro-rata** with reference to licensed period

Other requirements:

- at least 5 CPT hours on topics directly relevant to the RAs engaged
- no less than 2 CPT hours on topics relating to **ethics or compliance** per calendar year

2 CPT hours on **ethics** within 12 months for individual practitioner who first joins the industry in Hong Kong

Refer to ***Guidelines on Continuous Professional Training***

3

Ongoing reporting obligations

Periodic reporting returns and filings

Monthly

- Requirements under s.56 of FRR
 - ✓ Financial returns

Annually

- Requirements under s.156 of SFO and s.3 & s.4 of AAR
 - ✓ A set of accounts and the auditor's report
 - ✓ Financial returns (including Form 8A)
 - ✓ Business and risk management questionnaire ("BRMQ")
 - ✓ Compliance report by the auditor
- Further document from the auditor in PN820 of HKICPA
 - ✓ Audit Questionnaire
- Requirements under s.138 of SFO
 - ✓ Annual returns

Event driven reporting

✓ Section 55 of the FRR

Examples:

- Liquid capital falls below 120% of its required liquid capital
- Liquid capital falls below 50% of the liquid capital stated in its last return submitted

✓ Paragraph 12.5 of the Code of Conduct

! Immediate reporting

Examples:

- Any material breach, infringement of or non-compliance with any applicable law, rules and regulations
- Any material failure, error or defect in the operation or key functions (e.g. settlement systems)

Notifications
to the SFC



Event driven reporting (cont'd)

Common notifications of changes

✓ Examples:

- Individual licensee's cessation to act for a principal
- Change in name
- Change in contact information & business address*
- Change in director or his/her particulars
- Change in share capital and/or shareholding structure*
- Change in MIC information or organizational structure
- Change in bank accounts
- Change in directorship and other business interest

* **Prior approval** required for any new record keeping premises (under s130 of SFO) or any new substantial shareholders (under s132 of SFO)

- ### ✓
- Refer to Paragraphs 9.4 to 9.8 of Licensing Handbook, Securities and Futures (Licensing and Registration) (Information) Rules and relevant provisions of the SFO

**Notifications
to the SFC**



- ❖ For RIs – to make reporting / notifications to HKMA and SFC according to relevant requirements



4

—
Q&As

A large, stylized teal bird graphic, possibly a phoenix, is positioned on the left side of the slide. The bird is shown in profile, facing right, with its wings spread wide. The design is composed of smooth, flowing curves, giving it a sense of movement and grace. The color is a muted teal or seafoam green.

Thank you.

www.sfc.hk