HONG KONG MONETARY AUTHORITY
香港金融管理局

Our ref : B1/15C
G16/1C

24 August 2018

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Online Distribution and Advisory Platforms for Non-SFO-Regulated Structured Investment Products

I am writing to provide guidance on online distribution and advisory platforms for structured investment products not regulated by the Securities and Futures Ordinance (non-SFO-regulated structured investment products).

In September 2017, the Hong Kong Monetary Authority (HKMA) announced a number of initiatives to prepare Hong Kong to move into a New Era of Smart Banking and encourage the banking sector to embrace the opportunities brought about by the convergence of banking and technology. In particular, our Banking Made Easy initiative aims to minimise regulatory frictions to promote customers' digital experience, including online wealth management.

Following the issuance of the Guidelines on Online Distribution and Advisory Platforms (SFC's Guidelines) by the Securities and Futures Commission (SFC) on 28 March 2018, the HKMA consulted the banking industry in May 2018 on applying the same principles to online and offline distribution and advisory platforms for non-SFO-regulated structured investment products on a risk-based basis.

Taking into consideration feedback received, the HKMA has refined the proposals, and the detailed requirements for online distribution and advisory platforms for non-SFO-regulated structured investment products are set out in the **Annex**.

55th Floor, Two International Finance Centre,
8 Finance Street, Central, Hong Kong
Website: www.hkma.gov.hk
香港中環金融街8號國際金融中心2期55樓
網址： www.hkma.gov.hk

Authorized institutions (AIs) should implement the requirements for online platforms set out in this circular by 23 August 2019. Upon the finalisation of the proposed requirements applicable to offline sale of complex products by the SFC, the HKMA will issue guidance on the corresponding treatment for non-SFO-regulated structured investment products.

If you have any questions on this circular, please contact Ms Anita Chan on 2878-1538 or Ms Florence To on 2878-1582.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

c.c. SFC
(Attn: Ms Julia Leung, Deputy Chief Executive Officer and Executive Director (Intermediaries) and
Ms Christina Choi, Executive Director (Investment Products))