



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

14 March 2025

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Guidance on Selling of Accumulators

In an effort to facilitate compliance by the industry for according investor protection, the Hong Kong Monetary Authority (“HKMA”) updates and consolidates in this circular the relevant product-specific regulatory requirements issued over the years on selling of accumulators, with an aim to providing convenient access to the latest regulatory requirements. Accumulators in this circular also include decumulators and products of a similar nature by whatever name they may be called, unless otherwise stated.

No new regulatory requirement is imposed in this circular. Aside from updating and consolidating the requirements (e.g. on suitability assessment and product disclosure, and further guidance on foreign exchange (“FX”) accumulators), this circular also clarifies the exemptions allowed for Institutional Professional Investors and Qualified Corporate Professional Investors in relation to accumulator transactions. Moreover, this circular provides guidance to authorized institutions (“AIs”) with regard to ensuring compliance with the relevant regulatory requirements when dealing with Sophisticated Professional Investors (“SPIs”), specifically AIs can:

- provide reasonable alternative investment products for accumulators and record investment rationale for investing in accumulators instead of such alternative investment products through the provisions in the Product Category Information Statement; and

- adopt the expected exposure framework (instead of full notional approach) in calculation of gross exposure arising from FX accumulators for the purpose of compliance with the streamlining threshold for a SPI.

Detailed guidance is set out in **Annex 1**, and the relevant guidance in previous HKMA's circulars superseded by this circular are listed at **Annex 2**.

As no new requirement is introduced, this circular comes into immediate effect, while it is not expected that AIs would need to introduce any change to their systems or processes to comply with the requirements set out in this circular if they are already in compliance with the existing circulars. Nonetheless, AIs are reminded to continue to put in place adequate policies and procedures, internal controls and staff training to ensure compliance with this circular and other applicable regulatory requirements as always.

Should you have any questions on this circular, please contact Ms Candy Tam at 2878-1292 or Ms Hoi-yan Tseung at 2878-1408.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

c.c. Securities and Futures Commission
(Attn: Dr Eric Yip, Executive Director, Intermediaries)