

- (e) include a statement that the licensee may apply to the Review Tribunal for a review of the decision.
- (3) The Registrar may exercise a disciplinary power only after giving the licensee a reasonable opportunity to be heard.

53ZB. Guidelines for imposing pecuniary penalty

- (1) The Registrar must publish guidelines indicating the way in which the Registrar proposes to exercise the disciplinary power to impose a pecuniary penalty.
- (2) The guidelines must be published—
 - (a) before the Registrar exercises a disciplinary power to impose a pecuniary penalty for the first time; and
 - (b) in the Gazette and in any other way the Registrar considers appropriate.
- (3) In exercising the disciplinary power to impose a pecuniary penalty, the Registrar must have regard to the published guidelines.
- (4) The guidelines are not subsidiary legislation.

53ZC. Registration of pecuniary penalty order

- (1) The Court of First Instance may, on an application made by the Registrar, register in that Court an order to pay a pecuniary penalty.
- (2) The application must be made by producing to the Registrar of the High Court a notice in writing requesting that the order be registered, together with the original and a copy of the order.
- (3) On registration, the order is to be regarded for all purposes as an order of the Court of First Instance made within the civil jurisdiction of that Court for the payment of money.
- (4) In this section—

pecuniary penalty (罰款) means a pecuniary penalty ordered to be paid under section 53Z(3)(c) or (4).

53ZD. Application of disciplinary powers in respect of directors of corporations

- (1) This section applies if—
 - (a) the Registrar exercises a disciplinary power in respect of a licensee that is a corporation in connection with a contravention referred to in section 53Z(2)(a)(i); and
 - (b) either—
 - (i) the contravention was caused or allowed by a director of the corporation; or
 - (ii) the director failed to take reasonable steps to prevent the contravention.

(2) The disciplinary power is also exercisable by the Registrar in respect of the director as if the director were a licensee.

(3) This Division is to be construed accordingly.

(4) In this section—

director (董事) does not include a person who is an accounting professional or a legal professional.

Division 6—Warrants to Enter Premises

53ZE. Registrar may appoint authorized officers

The Registrar may appoint in writing a public officer employed in the Companies Registry to be an authorized officer for the purposes of this Division.

53ZF. Magistrate's warrant to enter premises

- (1) A magistrate may issue a warrant authorizing an authorized officer to take the actions referred to in subsection (2) if

satisfied by information on oath that there are reasonable grounds to suspect that an offence under section 53F—

- (a) is being committed on any premises; or
 - (b) has been committed on any premises.
- (2) The actions are—
- (a) to enter and search the premises; and
 - (b) to seize, remove or detain—
 - (i) a record or document, or any cash or other article, found on the premises that is, or appears to the authorized officer to be, or to contain, or to be likely to be or to contain, evidence of the commission of the suspected offence; and
 - (ii) anything that the authorized officer has reasonable cause to believe may be required as evidence in proceedings for the suspected offence.
- (3) An authorized officer authorized by a warrant may call on any person to assist the authorized officer in entering and searching the premises.
- (4) An authorized officer who enters any premises under this section must, if required, produce the warrant for inspection.
- (5) A person who obstructs an authorized officer in the exercise of a power under this section commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.
- (6) In this section—

authorized officer (獲授權人員) means a person appointed as an authorized officer under section 53ZE.

53ZG. Power to require production of material in legible form

- (1) This section applies in relation to information or matter

(*material*) contained in a record or document that—

- (a) is found on any premises entered under a warrant; and
 - (b) is not in a legible form or is in an information system.
- (2) If the material that is not in a legible form can be reproduced in a legible form, the authorized officer may require a person referred to in subsection (4) to produce the material or the relevant part of it in a legible form.
- (3) If the material is in an information system, the authorized officer may require a person referred to in subsection (4) to produce the material or the relevant part of it in a form that enables it to be reproduced in a legible form.
- (4) The persons for the purposes of subsections (2) and (3) are—
- (a) a person who appears to the authorized officer to be in charge of the premises; or
 - (b) a person who appears to the authorized officer to be able or likely to be able to produce the material—
 - (i) in a legible form; or
 - (ii) in a form that enables it to be reproduced in a legible form.
- (5) A person who obstructs an authorized officer in the exercise of a power under this section commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.
- (6) In this section—

authorized officer (獲授權人員) means an authorized officer (as defined by section 53ZF(6)) authorized by a warrant issued under section 53ZF.

53ZH. (*Repealed 15 of 2022 s. 26*)

53ZI. (*Repealed 15 of 2022 s. 26*)

53ZJ. (*Repealed 15 of 2022 s. 26*)

53ZK. (*Repealed 15 of 2022 s. 26*)

Division 8—Miscellaneous

53ZL. Amendment of Schedule 3A

The Registrar of Companies may, by notice published in the Gazette, amend Schedule 3A.

53ZM. Regulations

The Registrar of Companies may make regulations for the better carrying out of the provisions and purposes of this Part.

53ZN. Offence of providing false or misleading information

- (1) A person commits an offence if the person in a specified document or for a specified purpose—
 - (a) makes a statement that is false or misleading in a material particular; and
 - (b) knows that, or is reckless as to whether, the statement is false or misleading in a material particular.
- (2) A person commits an offence if the person in a specified document or for a specified purpose—
 - (a) omits a material particular from a statement with the result that the statement is rendered false or misleading; and

- (b) knows that, or is reckless as to whether, the material particular is omitted from the statement.
- (3) A person who commits an offence under subsection (1) or (2) is liable on conviction to a fine at level 5 and to imprisonment for 6 months.
- (4) In this section—

specified document (指明文件) means—

- (a) an application made to the Registrar under this Part;
- (b) a notification given to the Registrar under this Part; or
- (c) any other document provided to the Registrar for any purpose under this Part;

specified purpose (指明目的) means a purpose in connection with an application made to the Registrar under this Part or a notification given to the Registrar under this Part.

53ZO. Time limit for prosecution

Despite section 26 of the Magistrates Ordinance (Cap. 227), proceedings may be instituted for an offence under this Part, except for an indictable offence, within 12 months after the offence is discovered by, or comes to the notice of, the Registrar.

53ZP. Requirements for authentication and delivery of relevant instruments

- (1) The Registrar may, in relation to a relevant instrument—
 - (a) specify requirements for its authentication; and
 - (b) specify requirements as to the way it is to be delivered to the Registrar.
- (2) The Registrar may specify different requirements for different relevant instruments, or for different circumstances.
- (3) For the purposes of subsection (1)(a), the Registrar may—

- (a) require the relevant instrument to be authenticated by a particular person or a person of a particular description;
 - (b) specify the means of authentication; and
 - (c) require the relevant instrument to contain, or to be accompanied by—
 - (i) the name or licence number; or
 - (ii) the name and licence number,
of the licensee to which the relevant instrument relates.
- (4) For the purposes of subsection (1)(b), the Registrar may—
- (a) require the relevant instrument to be delivered in hard copy form, in electronic form or any other form;
 - (b) require the relevant instrument to be delivered by post or any other means;
 - (c) specify requirements as to the address to which the relevant instrument is to be delivered; and
 - (d) in the case of a relevant instrument to be delivered by electronic means, specify requirements as to the hardware and software to be used and the technical specifications.
- (5) In this section—

address (地址) includes a number, or any sequence or combination of letters, characters, numbers or symbols of any language, used for the purpose of sending or receiving a relevant instrument by electronic means;

electronic record (電子紀錄) has the meaning given by section 2(1) of the Electronic Transactions Ordinance (Cap. 553);

in electronic form (電子形式) means in the form of an electronic record;

in hard copy form (印本形式) means in a paper form or a similar form capable of being read;

relevant instrument (有關文書) means—

- (a) an application made to the Registrar under this Part; or
 - (b) a notification or any other document required to be given, sent or otherwise provided to the Registrar under this Part.
- (6) For the purposes of this section—
- (a) a reference to delivering a relevant instrument to the Registrar includes—
 - (i) for an application—making it; and
 - (ii) for a notification or any other document—giving, sending or otherwise providing it;
 - (b) a relevant instrument is delivered in electronic form if it is delivered—
 - (i) by electronic means; or
 - (ii) by any other means while in electronic form; and
 - (c) a relevant instrument is delivered by electronic means if it is delivered in electronic form to an information system.

Division 9—Transitional Arrangements for Trust or Company Service Providers

53ZQ. Transitional arrangements

- (1) A person who satisfies the conditions in subsection (2) is deemed to have been granted a licence to carry on a trust or company service business with effect from the commencement date, and this Ordinance applies in relation to the person accordingly.

- (2) The conditions are that immediately before the commencement date, the person—
- (a) was carrying on a trust or company service business; and
 - (b) for that purpose, held a valid business registration certificate.
- (3) If a deemed licensee does not apply for a licence under section 53G during the transitional period, a licence deemed to have been granted ceases to have effect when the earliest of the following events occurs—
- (a) the transitional period ends;
 - (b) the deemed licensee ceases to carry on its trust or company service business;
 - (c) the deemed licensee ceases to hold a valid business registration certificate;
 - (d) an event referred to in section 53P occurs in relation to the deemed licensee.
- (4) If a deemed licensee applies for a licence under section 53G during the transitional period, a licence deemed to have been granted ceases to have effect when the earliest of the following events occurs—
- (a) the licence is granted;
 - (b) the licence is not granted and the decision not to grant takes effect as a specified decision under section 75;
 - (c) the application is withdrawn;
 - (d) the deemed licensee ceases to carry on its trust or company service business;
 - (e) the deemed licensee ceases to hold a valid business registration certificate;

(f) an event referred to in section 53P occurs in relation to the deemed licensee.

(5) In this section—

***commencement date** (生效日期) means the date of commencement of this Part;

deemed licensee (當作持牌人) means a person to whom a licence is deemed to have been granted;

transitional period (過渡期) means the period of 120 days beginning on the commencement date.

Editorial Note:

* Commencement date: 1 March 2018.

Part 5B

Regulation of Activities Involving Virtual Assets

(Part 5B added 15 of 2022 s. 4)

Division 1—Interpretation

53ZR. Interpretation of Part 5B

In this Part—

associated entity (有聯繫實體), in relation to a licensed provider, means a company as defined by section 2(1) of the Companies Ordinance (Cap. 622)—

- (a) that is a wholly owned subsidiary of the licensed provider; and
- (b) that receives or holds, or is to receive or hold, in Hong Kong client assets of the licensed provider;

auditor (核數師) means a certified public accountant (practising) as defined by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588);

client (客户) means a person for whom a licensed provider provides a service that constitutes a VA service;

client asset (客户資產) means any client virtual asset or client money;

client money (客户款項) means any money received or held by or on behalf of a licensed provider or an associated entity of a licensed provider—

- (a) that is so received or held on behalf of a client of the licensed provider;

- (b) in which a client of the licensed provider has a legal or equitable interest; or
- (c) that is any accretion to the money referred to in paragraph (a) or (b), whether as capital or income;

client virtual asset (客戶虛擬資產) means any virtual asset received or held by or on behalf of a licensed provider or an associated entity of a licensed provider—

- (a) that is so received or held on behalf of a client of the licensed provider; or
- (b) in which a client of the licensed provider has a legal or equitable interest;

conduct (行為) includes any act or omission, and any series of acts or omissions;

customer loyalty or reward point (客戶酬報或獎賞積分) means any digital representation of value (by whatever name called) that satisfies all of the following conditions—

- (a) it is not denominated in any currency;
- (b) it is issued as part of a scheme, the dominant purpose of which is to promote the purchase of goods, or the use of services, provided by its issuer or any merchant specified by its issuer;
- (c) it is issued to a person on the purchase of goods, or the use of services, provided by its issuer or any merchant specified by its issuer;
- (d) it may only be used by the person for the payment or part payment of, or in exchange for, goods or services (or both) provided by its issuer or any merchant specified by its issuer;

director (董事) includes any person occupying the position of director (by whatever name called) and a shadow director;

executive director (執行董事), in relation to a licensed provider, means a director of the licensed provider who actively participates in, or is responsible for directly supervising, the business of providing a VA service of the licensed provider;

futures contract (期貨合約) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

hold (持有) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

holding company (控權公司), in relation to a corporation, means any other corporation of which it is a subsidiary;

information (資訊、資料) includes data, text, images, sound codes, computer programmes, software and databases, and any combination of them;

in-game asset (遊戲用資產) means any digital representation of value that—

- (a) is purchased or otherwise acquired by a person;
- (b) is not denominated in any currency;
- (c) is issued as part of a game; and
- (d) may only—
 - (i) be used by the person to pay or in exchange for virtual objects or virtual services in the game;
 - (ii) be used by the person to pay or in exchange for any similar thing within or in relation to the game; or
 - (iii) be used by the person to pay or in exchange for any similar thing that is part of the game;

interest of the investing public (投資大眾利益) does not include any interest the taking into consideration of which is, or is likely to be, contrary to the public interest;

licensed person (持牌人) means a licensed provider or a licensed representative;

licensed provider (持牌提供者) means a corporation that is granted a licence under section 53ZRK;

licensed representative (持牌代表) means an individual who is granted a licence under section 53ZRL;

limited purpose digital token (有限用途數碼代幣) means—

- (a) a customer loyalty or reward point;
- (b) an in-game asset; or
- (c) any digital representation of value that—
 - (i) is similar to a customer loyalty or reward point or an in-game asset; and
 - (ii) is not intended by its issuer to be convertible into money or another medium of exchange accepted by the public;

officer (高級人員)—

- (a) in relation to a corporation, means a director, manager or secretary of, or any other person involved in the management of, the corporation; or
- (b) in relation to an unincorporated body, means any member of the governing body of the unincorporated body;

possession (管有), in relation to any matter, includes custody, control and power of or over the matter;

prescribed fee (訂明費用), in relation to a matter specified in column 2 of Schedule 3C, means the fee specified in column 3 of that Schedule opposite the matter;

principal (主事人), in relation to a licensed representative, means the licensed provider to which the representative is accredited;

public (公眾、大眾) means the public of Hong Kong, and includes any class of the public;

regulated function (受規管職能)—see section 53ZRB;

related corporation (有連繫法團)—see section 53ZRC;

responsible officer (負責人員), in relation to a licensed provider licensed to provide any VA service, means an individual approved by the Commission as a responsible officer of the licensed provider under section 53ZRP in relation to the VA service or a part of the VA service;

rules (規則), except in a reference to the Rules of the High Court (Cap. 4 sub. leg. A), means the rules made under section 53ZTL;

securities (證券) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

shadow director (幕後董事) means a person in accordance with whose directions or instructions the directors of a corporation are accustomed or obliged to act, but a person is not to be regarded as a shadow director only because of the fact that the directors act on advice given by the person in a professional capacity;

specified manner (指明方式), except in section 53SZ or 53ZT or section 15 of Schedule 3G, means the form and way specified by the Commission;

specified requirement (指明規定) means—

(a) any provision of this Ordinance;

(b) any provision in any code or guideline published under any provision of this Ordinance;

- (c) any notice, prohibition or requirement given or imposed under or pursuant to any provision of this Ordinance;
- (d) any conditions of licence imposed by the Commission under or pursuant to any provision of this Ordinance; or
- (e) any other condition imposed by the Commission under or pursuant to any provision of this Ordinance;

subsidiary (附屬公司)—see section 53ZRC;

ultimate owner (最終擁有人), in relation to a corporation, means an individual who—

- (a) owns or controls, directly or indirectly, including through a trust or bearer share holding, more than 25% of the issued share capital of the corporation;
- (b) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights at general meetings of the corporation; or
- (c) exercises ultimate control over the management of the corporation;

VA or virtual asset (虛擬資產)—see section 53ZRA;

VA service (虛擬資產服務) means any of the services specified in Schedule 3B;

wholly owned subsidiary (全資附屬公司)—see section 53ZRC.

53ZRA. Meaning of *VA or virtual asset*

- (1) In this Ordinance—

VA or virtual asset (虛擬資產), subject to subsection (2), means—

- (a) a cryptographically secured digital representation of value that—
 - (i) is expressed as a unit of account or a store of economic value;

(ii) either—

(A) is used, or is intended to be used, as a medium of exchange accepted by the public, for any one or more of the following purposes—

- (I) payment for goods or services;
- (II) discharge of a debt;
- (III) investment; or

(B) provides rights, eligibility or access to vote on the management, administration or governance of the affairs in connection with, or to vote on any change of the terms of any arrangement applicable to, any cryptographically secured digital representation of value;

- (iii) can be transferred, stored or traded electronically; and
- (iv) satisfies other characteristics prescribed by the Commission under subsection (3)(a); or

(b) a digital representation of value prescribed as a virtual asset by notice published under subsection (4)(a).

(2) A digital representation of value is excluded from the definition of *VA* in subsection (1) if—

(a) it—

(i) is—

(A) issued by a central bank or by an entity that performs the functions of a central bank or by an entity authorized by a central bank on its behalf; or

- (B) issued by a government of a jurisdiction, or by an entity authorized by the government of a jurisdiction and acting pursuant to an authority to issue currency in that jurisdiction;
- (ii) is a limited purpose digital token;
- (iii) constitutes securities or a futures contract;
- (iv) constitutes any float or SVF deposit of a stored value facility as defined by section 2 of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584); or
- (v) satisfies other characteristics prescribed by the Commission under subsection (3)(b); or
- (b) it is a digital representation of value prescribed not to be a virtual asset by notice published under subsection (4)(b).
- (3) The Commission may, by notice published in the Gazette—
- (a) prescribe any characteristics necessary for a digital representation of value to be a virtual asset for the purposes of paragraph (a)(iv) of the definition of *VA* in subsection (1); and
- (b) prescribe any characteristics the presence of which precludes a digital representation of value being a VA for the purposes of subsection (2)(a)(v).
- (4) The Secretary for Financial Services and the Treasury may, by notice published in the Gazette—
- (a) prescribe, either generally or in a particular case, any digital representation of value to be a VA for the purposes of paragraph (b) of the definition of *VA* in subsection (1); or

- (b) prescribe, either generally or in a particular case, any digital representation of value not to be a VA for the purposes of subsection (2)(b).

53ZRB. Meaning of providing VA service and performing regulated function

(1) In this Ordinance—

regulated function (受規管職能)—

- (a) subject to subsections (4)(c) and (7), means any function performed—
- (i) for or on behalf of or by arrangement with a person carrying on a business of providing a VA service; and
 - (ii) in relation to the provision of the VA service; but
- (b) excludes any work ordinarily performed by an accountant, clerk or cashier.

(2) In this Ordinance—

- (a) a person is to be regarded as providing a VA service if—
- (i) the person carries on a business of providing a VA service; or
 - (ii) the person performs, for or on behalf of or by arrangement with a person carrying on a business of providing a VA service, any regulated function in relation to the provision of the VA service;
- (b) a person is to be regarded as providing a VA service on behalf of a licensed provider if the person performs, for or on behalf of or by arrangement with the licensed provider, any regulated function in relation to the provision of the VA service;

- (c) a corporation licensed under section 53ZRK to provide a VA service is to be regarded as being licensed for that VA service; and
 - (d) an individual licensed under section 53ZRL to provide a VA service on behalf of a licensed provider is to be regarded as being licensed for that VA service.
- (3) Subsection (4) applies if—
- (a) a person (**subsection (3) person**) actively markets to the public any services that the subsection (3) person provides or purports to provide (**specified services**); and
 - (b) the provision of the specified services, if done in Hong Kong, would constitute providing a VA service.
- (4) For the purposes of this Ordinance—
- (a) the subsection (3) person is to be regarded, in relation to the provision of the specified services, as carrying on a business of providing that VA service;
 - (b) the subsection (3) person's marketing of the specified services is to be regarded as holding itself, himself or herself out as carrying on a business of providing that VA service; and
 - (c) an individual is to be regarded as performing a regulated function in relation to the provision of that VA service if—
 - (i) the individual performs a function (**function X**) in relation to—
 - (A) the subsection (3) person providing, or purporting to provide, the specified services; or
 - (B) the specified services that the subsection (3) person provides or purports to provide; and

- (ii) the performance of function X, if done in Hong Kong in relation to the provision of the VA service, would constitute performing a regulated function in relation to the provision of that VA service.
- (5) Subsection (4) applies regardless of—
- whether the specified services are provided or not;
 - whether the specified services are marketed by the subsection (3) person or someone on the subsection (3) person's behalf; and
 - whether the specified services are marketed in Hong Kong or from a place outside Hong Kong.
- (6) Subsection (7) applies if—
- a person (**subsection (6) person**) actively markets to the public a function (**function Y**) that the subsection (6) person performs or purports to perform; and
 - the performance of function Y, if done in Hong Kong in relation to a business, carried on by any person, of providing a VA service would constitute performing a regulated function in relation to the provision of that VA service.
- (7) For the purposes of this Ordinance—
- the performance of function Y by the subsection (6) person is to be regarded as performing a regulated function in relation to the provision of a VA service; and
 - the subsection (6) person's marketing of function Y is to be regarded as holding itself, himself or herself out as performing that regulated function in relation to the provision of that VA service.
- (8) Subsection (7) applies regardless of—
- whether function Y is performed or not;

- (b) whether function Y is marketed by the subsection (6) person or someone on the subsection (6) person's behalf; and
- (c) whether function Y is marketed in Hong Kong or from a place outside Hong Kong.

53ZRC. Meaning of *related corporation, subsidiary and wholly owned subsidiary*

- (1) This section applies to the construction of a reference to related corporation or subsidiary in this Ordinance.
- (2) Two or more corporations are related corporations of each other if one of them is—
 - (a) the holding company of the other;
 - (b) a subsidiary of the other; or
 - (c) a subsidiary of the holding company of the other.
- (3) When an individual—
 - (a) controls the composition of the board of directors of one or more corporations;
 - (b) controls more than half of the voting power at general meetings of one or more corporations; or
 - (c) holds more than half of the issued share capital (which issued share capital, for the purposes of this paragraph, excludes any part of it that carries no right to participate beyond a specified amount on a distribution of either profits or capital) of one or more corporations, each of the corporations referred to in paragraph (a), (b) or (c), and each of their subsidiaries, are related corporations of each other.
- (4) For the purposes of this Ordinance, a corporation is a subsidiary of another corporation if—

- (a) the other corporation—
 - (i) controls the composition of its board of directors;
 - (ii) controls more than half of its voting power at general meetings; or
 - (iii) holds more than half of its issued share capital (which issued share capital, for the purposes of this subparagraph, excludes any part of it that carries no right to participate beyond a specified amount on a distribution of either profits or capital); or
 - (b) it is a subsidiary of a corporation that is the other corporation’s subsidiary.
- (5) For the purposes of subsection (4), in determining whether a corporation is a subsidiary of another corporation—
- (a) any shares held or power exercisable by the other corporation in a fiduciary capacity are to be regarded as not held or exercisable by it;
 - (b) subject to paragraphs (c) and (d), any shares held or power exercisable as mentioned in any of the following subparagraphs are or is to be regarded as held or exercisable by the other corporation—
 - (i) the shares are held, or the power is exercisable, by a nominee for the other corporation (except where the other corporation is concerned only in a fiduciary capacity);
 - (ii) the shares are held, or the power is exercisable, by, or by a nominee for, a subsidiary of the other corporation, not being a subsidiary that is concerned only in a fiduciary capacity;
 - (c) any shares held or power exercisable by a person under a debenture of the corporation or under a trust deed for

securing the issue of the debenture is to be disregarded; and

- (d) any shares held or power exercisable by, or by a nominee for, the other corporation or its subsidiary, not being held or exercisable as mentioned in paragraph (c), are or is to be regarded as not held or exercisable by the other corporation if—
 - (i) the ordinary business of the other corporation or its subsidiary (as the case requires) includes the lending of money; and
 - (ii) the shares are held or power is exercisable by way of security only for a transaction entered into in the ordinary course of that business.
- (6) A corporation is a wholly owned subsidiary of another corporation if it has only the following as members—
 - (a) that other corporation;
 - (b) that other corporation's nominee;
 - (c) that other corporation's wholly owned subsidiary (as construed in accordance with this section);
 - (d) such wholly owned subsidiary's nominee.

Division 2—Restriction on Carrying on Activities Involving Virtual Assets

53ZRD. Licence required for carrying on VA service business

- (1) A person must not—
 - (a) carry on a business of providing any VA service; or
 - (b) hold itself, himself or herself out as carrying on a business of providing any VA service.

- (2) Subsection (1) does not apply to a licensed provider for the VA service.
- (3) Without affecting subsection (1), a person must not—
 - (a) perform any regulated function in relation to a business of providing a VA service; or
 - (b) hold itself, himself or herself out as performing such function.
- (4) Subsection (3) does not apply to a licensed representative who provides on behalf of his or her principal, a VA service for which the licensed representative is licensed.
- (5) A person who, without reasonable excuse, contravenes subsection (1)(a) or (b) commits an offence and is liable—
 - (a) on conviction on indictment to a fine of \$5,000,000 and to imprisonment for 7 years and, in the case of a continuing offence, to a further fine of \$100,000 for every day during which the offence continues; or
 - (b) on summary conviction to a fine of \$500,000 and to imprisonment for 2 years and, in the case of a continuing offence, to a further fine of \$10,000 for every day during which the offence continues.
- (6) A person who, without reasonable excuse, contravenes subsection (3)(a) or (b) commits an offence and is liable—
 - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years and, in the case of a continuing offence, to a further fine of \$20,000 for every day during which the offence continues; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months and, in the case of a continuing offence, to a further fine of \$2,000 for every day during which the offence continues.

53ZRE. Offence to issue advertisements relating to unlicensed person's provision of VA service

- (1) A person (*subject person*) commits an offence if—
 - (a) the subject person issues, or has in the subject person's possession for the purpose of issue—
 - (i) an advertisement in which, to the subject person's knowledge, a person (*advertised person*) holds itself, himself or herself out as being prepared to provide a VA service; or
 - (ii) a document that, to the subject person's knowledge, contains such advertisement; and
 - (b) to the subject person's knowledge, the advertised person is not licensed for the VA service as required under this Part.
- (2) A person who commits an offence under subsection (1) is liable on conviction to a fine at level 5 and to imprisonment for 6 months.
- (3) A person does not commit an offence under subsection (1) merely because the person issues, or has in the person's possession for the purpose of issue, any advertisement or document if—
 - (a) the advertisement or document was so issued, or possessed for the purpose of issue, in the ordinary course of a business (whether or not carried on by the person), the principal purpose of which was receiving and issuing materials provided by others;
 - (b) the contents of the advertisement or document were not, wholly or partly, devised by the person or (if applicable) a related person of the person; and

- (c) for the purposes of the issue, neither the person nor any related person of the person selects, adds to, modifies or otherwise exercises control over the contents of the advertisement or document.
- (4) A person (*subject person*) does not commit an offence under subsection (1) merely because the subject person issues by way of live broadcast, or has in the subject person's possession for the purpose of issue by way of live broadcast, any advertisement or document if—
 - (a) the advertisement or document was so issued, or possessed for the purpose of issue, in the ordinary course of the business of a broadcaster (whether or not the subject person was such broadcaster);
 - (b) the contents of the advertisement or document were not, wholly or partly, devised by the subject person or (if applicable) a related person of the subject person;
 - (c) for the purposes of the issue, neither the subject person nor any related person of the subject person selects, adds to, modifies or otherwise exercises control over the contents of the advertisement or document; and
 - (d) in relation to the broadcast, the subject person acted, or (if the subject person was not the broadcaster) the subject person believed and had reasonable grounds to believe that the broadcaster acted, in accordance with—
 - (i) the terms and conditions of the licence (if any) by which the subject person or the broadcaster became entitled to broadcast as a broadcaster; and
 - (ii) any code of practice or guidelines (however described) that is or are—
 - (A) issued under or pursuant to the Telecommunications Ordinance (Cap. 106) or the Broadcasting Ordinance (Cap. 562); and

- (B) applicable to the subject person or the broadcaster as a broadcaster.
- (5) It is a defence to a charge for an offence under subsection (1) for the person charged to prove that the person took all reasonable steps and exercised all due diligence to avoid the commission of the offence with which the person is charged.
- (6) A person is taken to have established a matter that needs to be established for a defence under subsection (5) if—
- there is sufficient evidence to raise an issue with respect to the matter; and
 - the contrary is not proved by the prosecution beyond reasonable doubt.
- (7) In this section—

advertisement (廣告) includes every form of advertising, whether made orally or produced mechanically, electronically, optically, manually or by any other means;

document (文件) means any publication (including a newspaper, magazine or journal, a poster or notice, a circular, brochure, pamphlet or handbill, or a prospectus)—

- directed at, or the contents of which are likely to be accessed or read (whether concurrently or otherwise) by, the public; and
- whether produced mechanically, electronically, optically, manually or by any other means;

issue (發出), in relation to any material (including any advertisement or document), includes publishing, circulating, distributing or otherwise disseminating the material or the contents of the material, whether—

- by any visit in person;
- in a newspaper, magazine, journal or other publication;

- (c) by the display of posters or notices;
- (d) by means of circulars, brochures, pamphlets or handbills;
- (e) by an exhibition of photographs or cinematograph films;
- (f) by way of sound or television broadcasting;
- (g) by way of social media;
- (h) by any information system or other electronic device; or
- (i) by any other means, whether mechanically, electronically, optically, manually or by any other medium, or by way of production or transmission of light, image or sound or any other medium,

and also includes causing or authorizing the material to be issued;

related person (有關連人士), in relation to a person who issues, or has in the person's possession for the purpose of issue, any advertisement or document, in the ordinary course of a business carried on by the person (whether or not the business of a broadcaster), means any officer, employee or agent of the person.

- (8) For the purposes of this section, an advertisement or document issued by a person on behalf of another is to be regarded as an advertisement or document issued by both persons.

53ZRF. Offence involving fraudulent or deceptive devices etc. in transactions in virtual assets

- (1) A person commits an offence if the person, directly or indirectly, in a transaction involving any virtual assets—
 - (a) employs any device, scheme or artifice with intent to defraud or deceive; or

- (b) engages in any act, practice or course of business that is fraudulent or deceptive, or would operate as a fraud or deception.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on conviction on indictment to a fine of \$10,000,000 and to imprisonment for 10 years; or
 - (b) on summary conviction to a fine of \$1,000,000 and to imprisonment for 3 years.
- (3) If a person is convicted of an offence under subsection (1), the court before which the person is so convicted may, in addition to any penalty specified in subsection (2), make an order specified in subsection (4) in respect of the person.
- (4) The order is an order that, for the period (not exceeding 5 years) specified in the order, the person must not directly or indirectly in any way acquire, dispose of or otherwise deal in, in Hong Kong, any virtual assets without the leave of the court.
- (5) When making an order in respect of a person under subsection (4), the court may take into account any conduct by the person that previously resulted in the person being convicted of an offence in Hong Kong.
- (6) Where the court makes an order under subsection (4), the Commission may notify any licensed provider of the order in any manner that the Commission considers appropriate.
- (7) A person who fails to comply with an order made under subsection (4) commits an offence and is liable—
 - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

- (8) For the purposes of this section—
- (a) *court* (法庭) includes a magistrate; and
 - (b) a reference to a transaction includes an offer and an invitation (however expressed).

53ZRG. Offence to fraudulently or recklessly induce others to invest in virtual assets

- (1) A person commits an offence if the person makes any fraudulent misrepresentation or reckless misrepresentation for the purpose of inducing another person to enter into, or offer to enter into, an agreement to acquire, dispose of, subscribe for or underwrite any virtual assets.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 7 years; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
- (3) In this section—

fraudulent misrepresentation (欺詐的失實陳述) means—

- (a) any statement that, at the time when it is made, is to the knowledge of its maker false, misleading or deceptive;
- (b) any promise that, at the time when it is made—
 - (i) its maker has no intention of fulfilling; or
 - (ii) is to the knowledge of its maker not capable of being fulfilled;
- (c) any forecast that, at the time when it is made, is to the knowledge of its maker not justified on the facts then known to its maker;

- (d) any statement from which, at the time when it is made, its maker intentionally omits a material fact, with the result that the statement is rendered false, misleading or deceptive; or
- (e) any forecast from which, at the time when it is made, its maker intentionally omits a material fact, with the result that the forecast is rendered misleading or deceptive;

reckless misrepresentation (罔顧實情的失實陳述) means—

- (a) any statement that, at the time when it is made, is false, misleading or deceptive and is made recklessly;
- (b) any promise that, at the time when it is made, is not capable of being fulfilled and is made recklessly;
- (c) any forecast that, at the time when it is made, is not justified on the facts then known to its maker and is made recklessly;
- (d) any statement from which, at the time when it is made, its maker recklessly omits a material fact, with the result that the statement is rendered false, misleading or deceptive; or
- (e) any forecast from which, at the time when it is made, its maker recklessly omits a material fact, with the result that the forecast is rendered misleading or deceptive.

Division 3—Register and Application for, and Grant of, Licences for VA Service

Subdivision 1—Register

53ZRH. Register of licensed persons

- (1) The Commission must maintain a register of licensed persons in a form it considers appropriate.

(2) The register must contain—

- (a) in relation to each licensed person—
 - (i) the name and business address of the licensed person;
 - (ii) the conditions of the licence that the Commission considers appropriate to be contained in the register, and the effective date of the conditions;
 - (iii) the central entity identification number assigned by the Commission to the licensed person;
 - (iv) the date of grant of licence under this Part;
 - (v) the VA service for which the licensed person is licensed and the date from which the licence takes effect;
 - (vi) whether or not the licence is suspended; and
 - (vii) particulars of each instance of an exercise of a power under section 53ZSP or 53ZSQ entered in accordance with section 53ZTJ;
- (b) in the case of a licensed provider—
 - (i) the name of each responsible officer;
 - (ii) its electronic mail address and website address;
 - (iii) its contact details, including contact details of its complaints officer; and
 - (iv) a list of the licensed representatives accredited to it; and
- (c) in the case of a licensed representative—
 - (i) the name of his or her principal;
 - (ii) whether he or she is approved as a responsible officer and, if so, the VA service for which he or she is responsible; and

- (iii) the date of accreditation to his or her principal.
- (3) The register may contain any other particulars that the Commission considers appropriate.
- (4) The register must be made available for inspection by a member of the public to enable him or her—
- (a) to ascertain whether he or she is dealing with a licensed person; and
 - (b) to ascertain the particulars of the licence.
- (5) A member of the public is entitled, without charge, to inspect the register during normal office hours.
- (6) In this section—

complaints officer (投訴主任), in relation to a licensed provider, means a person appointed by the licensed provider to handle complaints made to the licensed provider.

53ZRI. Certified copy of register

- (1) A person may, on the payment of the prescribed fee, obtain—
- (a) a certified copy or an uncertified copy of an entry in, or extract from, the register maintained under section 53ZRH (**register**); or
 - (b) a certificate by the Commission stating that the name of a person—
 - (i) has been entered on the register;
 - (ii) has not been entered on the register; or
 - (iii) has been removed from the register.
- (2) In any criminal or civil proceedings, a document purporting to be a copy of an entry in, or extract from, the register, and purporting to be certified by an authorized officer of the Commission—

- (a) is admissible in evidence on production without further proof; and
 - (b) is evidence of the facts stated in it.
- (3) The fact that the name of a person does not appear on a copy of an entry in, or extract from, the register, purporting to be certified by the Commission is evidence that, at the date on which the copy is purporting to be certified, the person was not a licensed person.
- (4) In any criminal or civil proceedings, a certificate purporting to be signed by the Commission, and stating any of the following, is admissible in evidence on production without further proof and is to be conclusive evidence of the facts stated in the certificate—
- (a) that the name of a person has been entered on the register;
 - (b) that the name of a person has not been entered on the register;
 - (c) that the name of a person has been removed from the register.

Subdivision 2—Fit and Proper Test

53ZRJ. Fit and proper test

- (1) In determining whether a person is a fit and proper person for the purposes of any provision of this Part, the Commission must, in addition to any other matter that the Commission considers relevant, have regard to the following matters—
- (a) the financial status or solvency of the person;
 - (b) the educational or other qualifications, or experience of the person, especially whether the qualifications or experience are or is appropriate to the functions that

- the person applies to be, or is, licensed or approved to perform;
- (c) the ability of the person to provide the VA service competently, honestly and fairly;
 - (d) the reputation, character, reliability and financial integrity of the person;
 - (e) whether the person has been convicted of—
 - (i) an offence under section 5(5), (6), (7) or (8), 10(1), (3), (5), (6), (7) or (8), 13(1), (3), (5), (6), (7) or (8), 17(9), 20(1), 61(2) or 66(3);
 - (ii) an offence under section 14 of the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575);
 - (iii) an offence under section 25(1) or 25A(5) or (7) of, or an offence specified in Schedule 1 to, the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405); or
 - (iv) an offence under section 25(1) or 25A(5) or (7) of, or an offence specified in Schedule 1 or 2 to, the Organized and Serious Crimes Ordinance (Cap. 455);
 - (f) whether the person has a conviction in a place outside Hong Kong—
 - (i) for an offence in respect of an act that would have constituted an offence specified in paragraph (e) had it been done in Hong Kong;
 - (ii) for an offence relating to money laundering or terrorist financing; or
 - (iii) for an offence for which it was necessary to find that the person had acted fraudulently, corruptly or dishonestly;

- (g) whether the person has failed to comply with a requirement imposed under this Ordinance.
- (2) Without limiting subsection (1), in determining whether a person is a fit and proper person, for the purposes of any provision of this Part, the Commission may take into account—
- (a) a decision made in respect of the person—
- (i) by any relevant authority; or
- (ii) by a regulator (as defined by section 13A) of a jurisdiction outside Hong Kong that, in the Commission’s opinion, performs a function similar to the functions of the Commission under this Ordinance or the Securities and Futures Ordinance (Cap. 571);
- (b) any information in the possession of the Commission, whether provided by the person or not, relating to—
- (i) any other person who is or is to be employed by, or associated with, the person for the purpose of providing a VA service;
- (ii) any other person who will be acting for or on behalf of the person in relation to the provision of a VA service; or
- (iii) where the person is a corporation in a group of companies—
- (A) any other corporation in the same group of companies; or
- (B) any ultimate owner or officer of the corporation or any corporation referred to in sub subparagraph (A);
- (c) whether the person has established effective internal control procedures and risk management systems to

ensure the person's compliance with all applicable regulatory requirements under any provision of this Ordinance; and

- (d) the state of affairs of any other business that the person carries on or proposes to carry on.
- (3) Where subsections (1) and (2) apply to a person that is a corporation, references to the person in the paragraphs of those subsections include, not only the corporation, but also any officer of the corporation.
- (4) Subsection (1)(c) does not apply in determining whether a person, being an ultimate owner of a corporation applying for, or holding, a licence to provide a VA service, is a fit and proper person to be associated with the business of providing the VA service.
- (5) In this section—

group of companies (公司集團) means any 2 or more corporations one of which is the holding company of the other or others (as the case requires).

Subdivision 3—Licensed Provider

53ZRK. Application for and grant of licence

- (1) The Commission may, on application, grant to the applicant a licence to provide a VA service.
- (2) The application must be—
 - (a) made to the Commission in the specified manner; and
 - (b) accompanied by the prescribed fee.
- (3) The Commission may grant a licence to an applicant only if—
 - (a) the applicant is a corporation that is—

- (i) a company as defined by section 2(1) of the Companies Ordinance (Cap. 622); or
 - (ii) a registered non-Hong Kong company; and
(Amended 14 of 2025 s. 270)
- (b) the Commission is satisfied that—
- (i) the applicant is a fit and proper person to be licensed for the VA service;
 - (ii) not less than 2 persons are applying to be responsible officers of the applicant and each person is a fit and proper person to be associated with the business of providing the VA service;
 - (iii) each director of the applicant, not falling within subparagraph (ii), is a fit and proper person to be associated with the business of providing the VA service;
 - (iv) if there is an ultimate owner in relation to the corporation—the ultimate owner is a fit and proper person to be associated with the business of providing the VA service; and
 - (v) an application has been lodged under section 53ZRR for approval of premises to be used by the applicant for keeping records or documents required under this Part.
- (4) On granting a licence under this section, the Commission may impose any conditions on the licence.
- (5) Without limiting subsection (4), the Commission may impose on a licence conditions on—
- (a) financial resources;
 - (b) knowledge and experience;
 - (c) risk management policies and procedures;

- (d) anti-money laundering and anti-terrorist financing policies and procedures;
 - (e) management of client assets;
 - (f) soundness of the business;
 - (g) financial reporting and disclosure;
 - (h) virtual asset listing and trading policies;
 - (i) prevention of market manipulation and abusive activities;
 - (j) avoidance of conflicts of interest;
 - (k) keeping of accounts and records by licensed providers and their associated entities;
 - (l) provision of contract notes, receipts, statements of account and notifications by licensed providers and their associated entities;
 - (m) financial statements and other documents, and the auditor's report;
 - (n) business conduct of licensed providers and their licensed representatives;
 - (o) notification of changes; and
 - (p) cybersecurity.
- (6) Without limiting subsections (4), (5) and (8), it is a condition of a licence granted under this section for providing a VA service that there is at least one responsible officer of the licensed provider who is available at all times to supervise the business of the VA service.
- (7) A licensed provider must not, when providing a VA service, use a name other than the name specified in the licence.

- (8) In relation to a licence of a person, the Commission may, at any time, if satisfied that it is reasonable to do so in the circumstances—
 - (a) impose any new conditions;
 - (b) amend any previously imposed conditions; or
 - (c) remove any previously imposed conditions.
- (9) Section 53ZRS applies in relation to the making of a decision under this section if the decision falls within section 53ZRS(1).
- (10) The imposition, amendment or removal of a condition under subsection (8) takes effect at the time of the service of the notice given under section 53ZRS(3) or at the time specified in the notice, whichever is the later.

Subdivision 4—Licensed Representative and Accreditation to Principal

53ZRL. Application to be licensed representatives

- (1) The Commission may, on application, grant to an individual a licence to provide a VA service; the effect of such a licence is that the individual licensed may provide the VA service on behalf of a licensed provider of the VA service if the individual is accredited to the licensed provider with approval under section 53ZRM.
- (2) The application must be—
 - (a) made by the individual to the Commission in the specified manner; and
 - (b) accompanied by the prescribed fee.
- (3) The Commission may grant a licence to provide a VA service under subsection (1) only if the Commission is satisfied that

the applicant is a fit and proper person to be so licensed for the VA service.

- (4) On granting a licence under this section, the Commission may impose any conditions on the licence.
- (5) In relation to the licence of a licensed representative, the Commission may, at any time, if satisfied that it is reasonable to do so in the circumstances—
 - (a) impose any new conditions;
 - (b) amend any previously imposed conditions; or
 - (c) remove any previously imposed conditions.
- (6) Section 53ZRS applies in relation to the making of a decision under this section if the decision falls within section 53ZRS(1).
- (7) The imposition, amendment or removal of a condition under subsection (5) takes effect at the time of the service of the notice given under section 53ZRS(3) or at the time specified in the notice, whichever is the later.
- (8) Without limiting subsections (4) and (5), it is a condition of a licence of a licensed representative that the representative must—
 - (a) at all times keep the Commission informed of particulars of his or her contact details including, in so far as applicable, his or her residential address, telephone number and electronic mail address; and
 - (b) inform the Commission of any change in the particulars within 7 business days after the change takes place.
- (9) A licensed representative must not, when providing a VA service, use a name other than the name under which the representative is licensed.

- (1) The Commission may, on application, approve the accreditation of a licensed representative to a licensed provider and, on the Commission's approval of the accreditation, the licensed provider becomes the licensed representative's principal.
- (2) The Commission may, on application, approve the transfer of a licensed representative's accreditation to another licensed provider and, on the Commission's approval of the transfer, that other licensed provider becomes the licensed representative's principal.
- (3) An application for the purposes of subsection (1) or (2) must be—
 - (a) made by the licensed representative to the Commission in the specified manner; and
 - (b) accompanied by the prescribed fee.
- (4) The Commission may approve an accreditation or a transfer of accreditation under this Part only if the Commission is satisfied that the applicant concerned will be competent to carry out his or her duties to the requisite standard as a licensed representative for or on behalf of the licensed provider concerned.
- (5) On giving an approval under this section, the Commission may impose any conditions on the licensed representative and the licensed provider concerned.
- (6) In relation to an approval under this section, the Commission may, at any time, if satisfied that it is reasonable to do so in the circumstances—
 - (a) impose any new conditions;
 - (b) amend any previously imposed conditions; or
 - (c) remove any previously imposed conditions.

- (7) Section 53ZRS applies in relation to the making of a decision under this section if the decision falls within section 53ZRS(1).
- (8) The imposition, amendment or removal of a condition under subsection (6) takes effect at the time of the service of the notice given under section 53ZRS(3) or at the time specified in the notice, whichever is the later.

Subdivision 5—Variation of Licensed VA Service

53ZRN. Variation of licensed VA service

- (1) The Commission may, on application, add to, remove or otherwise vary the VA service for which a licensed provider or licensed representative is licensed.
- (2) The application must be—
 - (a) made by the licensed provider or licensed representative to the Commission in the specified manner; and
 - (b) accompanied by the prescribed fee.
- (3) If a person applies for adding a VA service, the application is, for the purposes of this Part, to be regarded as an application for a licence in relation to that VA service.

Division 4—Approvals by Commission

53ZRO. Requirements for responsible officers

- (1) A licensed provider must not provide any VA service unless—
 - (a) every executive director of the licensed provider who is an individual is approved under section 53ZRP as a responsible officer of the licensed provider in relation to the VA service;

- (b) not less than 2 individuals, at least one of whom must be an executive director of the licensed provider, are approved under section 53ZRP as the responsible officers of the licensed provider in relation to the VA service; and
 - (c) at least one responsible officer of the licensed provider ordinarily resides in Hong Kong.
- (2) A licensed provider who, without reasonable excuse, contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 6 and, in the case of a continuing offence, to a further fine of \$2,000 for every day during which the offence continues.

53ZRP. Approval of responsible officers

- (1) The Commission may, on application by a licensed representative in the specified manner and payment of a prescribed fee, approve the applicant as a responsible officer of the licensed provider to which the applicant is accredited.
- (2) The Commission must refuse to approve an applicant as a responsible officer of a licensed provider unless the Commission is satisfied that—
 - (a) the applicant is a fit and proper person to be so approved; and
 - (b) the applicant has sufficient authority within the licensed provider.
- (3) On giving approval under this section, the Commission may impose any conditions on the responsible officer and the licensed provider concerned.
- (4) In relation to the approval of a person as a responsible officer of a licensed provider, the Commission may, at any time, if satisfied that it is reasonable to do so in the circumstances—

- (a) impose any new conditions;
 - (b) amend any previously imposed conditions; or
 - (c) remove any previously imposed conditions.
- (5) Section 53ZRS applies in relation to the making of a decision under this section if the decision falls within section 53ZRS(1).
- (6) The approval of an individual as a responsible officer of a licensed provider is deemed to be revoked if the individual—
 - (a) ceases to act as a licensed representative for or on behalf of the licensed provider; or
 - (b) ceases to be accredited to the licensed provider.

53ZRQ. Ultimate ownership

- (1) A person must not become an ultimate owner of a licensed provider unless the Commission has, on application by the person, given its approval in writing.
- (2) The Commission may, on application in the specified manner and payment of a prescribed fee, approve the applicant to become an ultimate owner of a licensed provider.
- (3) The Commission may give an approval only if the applicant satisfies the Commission that the licensed provider will remain a fit and proper person to be licensed if the application is approved.
- (4) On giving an approval under this section, the Commission may impose any conditions on the applicant and the licensed provider concerned.
- (5) In relation to the approval for an ultimate owner of a licensed provider, the Commission may, at any time, if satisfied that it is reasonable to do so in the circumstances—
 - (a) impose any new conditions;

- (b) amend any previously imposed conditions; or
 - (c) remove any previously imposed conditions.
- (6) Section 53ZRS applies in relation to the making of a decision under this section if the decision falls within section 53ZRS(1).
- (7) The imposition, amendment or removal of a condition under subsection (5) takes effect at the time of the service of the notice given under section 53ZRS(3) or at the time specified in the notice, whichever is the later.
- (8) Without limiting subsections (4) and (5), it is a condition of an approval that the approved ultimate owner must—
 - (a) at all times keep the Commission informed of particulars of the ultimate owner's contact details; and
 - (b) inform the Commission of any change in the particulars within 7 business days after the change takes place.
- (9) A person who, without reasonable excuse, contravenes subsection (1) commits an offence and is liable—
 - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years, and to a further fine of \$5,000 for every day during which the person continues to be such ultimate owner without the Commission's approval; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months, and to a further fine of \$500 for every day during which the person continues to be such ultimate owner without the Commission's approval.

53ZRR. Premises for keeping records or documents

- (1) A licensed provider must keep records or documents required under any specified requirement only at any premises that are approved by the Commission.

- (2) An application to use premises for such purpose must be made to the Commission in the specified manner, and must be accompanied by the prescribed fee.
- (3) The Commission may approve an application made in accordance with subsection (2).
- (4) The Commission may approve an application only if the Commission is satisfied that the premises are non-domestic premises that are suitable to be used for keeping records or documents required under any specified requirement.
- (5) As soon as reasonably practicable after granting an application, the Commission must update the relevant particulars in the register maintained under section 53ZRH.
- (6) In this section—

non-domestic premises (非住宅處所) means any premises other than domestic premises.

Division 5—Provisions Supplementary to Divisions 3 and 4

53ZRS. Procedural requirements

- (1) This section applies in relation to the making of a decision to do any of the following (***subsection (1) decision***)—
 - (a) to refuse to grant a licence under section 53ZRK;
 - (b) to impose a condition on, or amend or remove a condition of, a licence under section 53ZRK;
 - (c) to refuse to grant a licence under section 53ZRL;
 - (d) to impose a condition on, or amend or remove a condition of, a licence under section 53ZRL;
 - (e) to refuse to approve an accreditation or transfer of an accreditation under section 53ZRM;

- (f) to impose a condition on, or amend or remove a condition of, an accreditation or transfer of an accreditation under section 53ZRM;
 - (g) to refuse to add, remove or otherwise vary, under section 53ZRN, any VA service for which a licensed provider or licensed representative is licensed;
 - (h) to refuse to approve a person as a responsible officer of a licensed provider under section 53ZRP or to refuse to approve a person to become an ultimate owner of a licensed provider under section 53ZRQ;
 - (i) to impose a condition in approving a person as a responsible officer of a licensed provider under section 53ZRP or to amend or remove a condition in relation to the approval of a person as such a responsible officer under that section;
 - (j) to impose a condition in approving a person to become an ultimate owner of a licensed provider under section 53ZRQ or to amend or remove a condition in relation to the approval of such an ultimate owner under that section;
 - (k) to refuse to approve premises under section 53ZRR.
- (2) If the Commission forms a preliminary view to make a subsection (1) decision in relation to a person, the Commission must, before making the decision, inform the person of the ground for the preliminary view and give the person a reasonable opportunity to be heard.
- (3) When the Commission makes a subsection (1) decision in relation to a person, it must, as soon as reasonably practicable, notify the person of the decision by written notice and the notice must include—
 - (a) a statement of the reasons for the decision; and

- (b) a statement that the person may apply to the Review Tribunal for a review of the decision.

Division 6—Client Assets

53ZRT. Client assets held by licensed providers and their associated entities

- (1) Client assets of a licensed provider are not liable to be taken in execution against the licensed provider or an associated entity of the licensed provider under an order or process of a court.
- (2) Subsection (1) is not to be construed as taking away or affecting a lawful claim or lien that any person has in respect of client assets of a licensed provider (whether received or held by the licensed provider or an associated entity of the licensed provider).
- (3) However, the existence of any claim or lien referred to in subsection (2) does not relieve a licensed provider or an associated entity of a licensed provider of the duty to comply with the requirements of any code or guideline published under any provision of this Ordinance that apply to it.

Division 7—Licensed Persons’ Obligations Regarding Notification, Annual Fees and Annual Returns

53ZRU. Notification of change in particulars

- (1) A licensed person or an ultimate owner of a licensed provider must, in the circumstances as prescribed under the specified requirements, notify the Commission in writing of any change, in any information that the licensed person or ultimate owner (as the case requires) has provided to the Commission under this Division or under Division 3 or 4,