



## Letter from the Investment Company Institute

22 January 2026

Division 5, Financial Services Branch  
Financial Services and the Treasury Bureau  
24/F, Central Government Offices  
Tim Mei Avenue, Tamar Central  
Hong Kong

Submitted electronically to [vadealing-consult@fstb.gov.hk](mailto:vadealing-consult@fstb.gov.hk).

Re: *Further Public Consultation on Legislative Proposal to Regulate Virtual Asset Advisory Services Providers and Virtual Asset Management Service Providers*

Dear Sir or Madam,

The Investment Company Institute (ICI)<sup>1</sup> appreciates the opportunity to provide feedback to the Financial Services and the Treasury Bureau (FSTB) and the Securities and Futures Commission (SFC) on the proposed licensing regimes for virtual asset advisory and management service providers (“Consultation”).<sup>2</sup>

ICI’s mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. We have a strong interest in ensuring that regulatory frameworks encourage innovation while preserving effective standards of liquidity, transparency, and investor protection.

We welcome the FSTB and the SFC’s efforts to provide greater regulatory clarity on virtual asset advisory and management activities. Such regulatory clarity, together with the existing robust and technology-agnostic regulatory framework applicable to licensed market participants, will facilitate further progress in Hong Kong’s path in virtual asset innovation.

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<sup>1</sup> The [Investment Company Institute](https://www.ici.org) (ICI) is the leading association representing the global asset management industry in service of individual investors. ICI members are located in North America, Europe, and Asia and manage fund assets of US\$54.3 trillion, including mutual funds, exchange-traded funds (ETFs), UCITS, closed-end funds, unit investment trusts (UITs) and similar funds in these different jurisdictions. ICI has offices in Washington, DC, Brussels, and London.

<sup>2</sup> Financial Services and the Treasury Bureau and Securities and Futures Commission, *Further Public Consultation on Legislative Proposal to Regulate Virtual Asset Advisory Service Providers and Virtual Asset Management Service Providers* (24 December 2025), <https://apps.sfc.hk/edistributionWeb/gateway/EN/consultation/doc?refNo=25CP12>.

ICI supports the overarching approach to regulating virtual asset advisory and management activities based on the principle of “same activity, same risks, same regulation.” We agree that new market entrants offering these services and activities should be held to the same robust standards as those applied to current licensed entities. This is necessary to ensure a level playing field and to mitigate the risk of regulatory arbitrage.

In this context, we believe that proposed regulatory requirements for virtual asset advisory and management licensed holders should, as a baseline, broadly align with the requirements applicable to Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Where additional requirements are deemed necessary to address risks that are unique to virtual assets, such requirements should be principles-based, targeted, and proportionate, ensuring that the proposed regulation is effective and adaptable to ongoing market evolution.

We welcome the proposed expedited approval process as a transitional arrangement for licensed entities that have already undergone the assessment process by the SFC (or the Hong Kong Monetary Authority) for conducting virtual asset advisory or management activities.

In addition to this transitional arrangement, we recommend establishing a simplified licensing process for Type 4 and Type 9 licensed fund managers that intend to engage in virtual asset advisory and management activities. Licensed fund managers are already subject to existing robust regulatory requirements regarding knowledge and experience, risk management, and conduct of business. By focusing on any additional requirements specific to virtual asset advisory and management activities, this simplified process will avoid duplication and streamline regulatory oversight.

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Thank you again for the opportunity to provide feedback on the Consultation. We welcome continuing this dialogue with you and participating in future consultations on specific regulatory requirements. If you have any questions, please contact me at [tracey.wingate@ici.org](mailto:tracey.wingate@ici.org), Matthew Mohlenkamp at [matthew.mohlenkamp@ici.org](mailto:matthew.mohlenkamp@ici.org), and Lisa Cheng at [lisa.cheng@ici.org](mailto:lisa.cheng@ici.org).

Sincerely,

/s/ Tracey Wingate

Tracey Wingate  
Chief Global Affairs Officer  
Investment Company Institute