



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

27 May 2026

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

Guidance on Offering of Financing for Virtual Asset Dealing, Shared Order Book, and Client Virtual Asset Withdrawals

In light of market and regulatory developments of dealing services in virtual asset¹ (“VA”), I am writing to set out the standards expected of registered institutions (“RIs”) in the provision of the captioned services of VA.

VA financing

Background

The Securities and Futures Commission (“SFC”) has on 11 February 2026 issued a circular² (“SFC VA Circular dated 11 February 2026”) as attached, which enables licensed corporations providing VA dealing services under an omnibus account arrangement (“VA brokers”) with SFC-licensed VA trading platforms operators (“VATP operators”) to offer financing for VA dealing. Before this circular, a licensed corporation or an RI was not allowed to provide any financial accommodation for its clients to acquire VA under paragraph 4.3³ of the Terms and Conditions for Licensed Corporations or Registered Institutions Providing Virtual Asset Dealing Services under an Omnibus Account Arrangement (“Terms and Conditions”).

¹ As defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

² Circular on licensed corporations providing virtual asset dealing services (1) to offer financing for virtual asset dealing and access to shared order book, and (2) to safeguard client virtual assets relating to withdrawals.

³ As renumbered on 30 September 2025.

As the first step, the SFC will permit VA brokers engaging in securities margin financing to extend credit to margin clients for VA dealing (“VA financing”) when supported by sufficient securities collateral and/or a limited set of VA collateral as credit risk mitigation. This would enable margin clients having strong credit profiles and collateral to increase their participation in VA trading, hence enhance the liquidity of Hong Kong’s VA market, and facilitate the development of VA financing in a risk-controlled environment.

HKMA’s guidance for RIs

RIs providing VA dealing services may provide VA financing⁴ by observing similar standards expected by the SFC on VA brokers providing VA financing. In this connection, RIs which wish to provide VA financing are expected to ensure compliance with the relevant requirements in respect of VA financing in the SFC VA Circular dated 11 February 2026 as set out below for ease of compliance.

- (1) An RI may provide VA financing to a margin client to facilitate the client’s VA dealing on the basis of:
 - (a) the client’s financial capability; and
 - (b) the securities collateral and/or VA collateral posted by the client to the RI.
- (2) Clients eligible for VA financing are limited to the RI’s securities margin financing clients.
- (3) An RI is not expected to increase the credit limit of a margin client solely because it is able to offer VA financing to the client. When assessing the financial capability of margin clients, an RI should give due consideration to the price volatility of non-fiat assets counted toward a client’s net worth. For

⁴ For the avoidance of doubt, tokenised products do not fall within the remit of this circular as the prohibition of financial accommodation for clients does not apply to acquisition of tokenised products. On sale and distribution of tokenised products, RIs should refer to the guidance issued by the HKMA from time to time (e.g. the HKMA’s circular on “Sale and distribution of tokenised products” issued on 20 February 2024), instead of the Joint circular on intermediaries’ virtual asset-related activities issued by the HKMA and the SFC on 23 December 2023 and the Terms and Conditions (including paragraph 4.3 (as renumbered on 30 September 2025) which prohibits financial accommodation).

example, if an RI takes into account a client's VA holding in such assessment, its assessment should include:

- (a) the VA's quality, historical price volatility, and price gap risk;
- (b) the sustainability of the VA's valuation and market liquidity;
- (c) the digital asset sector concentration risk in the client's portfolio, including VA holding, VA-related products, as well as securities of digital asset operators and digital asset treasury companies;
- (d) idiosyncratic risk of individual VAs, such as infrastructure failure;
- (e) potentially high return correlation between the digital asset sector and stocks during market stress;
- (f) any potential adverse impact arising from the client's VA exposure, and whether the client's repayment ability may deteriorate substantially during a period of VA market stress; and
- (g) to the extent a corporate client's financial capability is dependent on or referable to the financial soundness of the client's group companies and related parties, and the VA exposure of these parties.

It should be noted that VAs as an asset class have limited performance records during major systemic shocks, and even the most actively traded VA had experienced sizable price declines across intra-day and multi-day periods. During periods of market stress, price movements across the VA sector could be highly correlated, and increased leverage through derivatives and margin lending may amplify downside risk in the VA market.

- (4) An RI should carefully consider whether it is prudent to rely on VA collateral as credit risk mitigation, given the elevated risk of VA as mentioned above. Where the RI elects to do so, (a) eligible VA collateral should be limited to bitcoin, ether and specified stablecoins issued by HKMA-licensed stablecoin issuers (the issuance of which is authorized by licenses under the Stablecoins Ordinance) ("Relevant Stablecoins"), and (b) the RI should apply a prudent

haircut to the market value of the VA collateral⁵. As the VA market and VA financing develop, the HKMA may revise the haircut upon prior notice to RIs.

- (5) In addition, an RI relying on VA collateral as credit risk mitigation should:
- (a) clearly document in its margin lending policy the methodologies adopted to assess the VA risk factors set out above, to determine the acceptable credit exposure based on the assessment outcome, and to identify and monitor vulnerable VA exposures in its margin loan portfolio on an ongoing basis, and
 - (b) maintain operational capability to monitor the volatility of the VA collateral on a real time basis, and take timely actions to manage the RI's credit exposure.
- (6) An RI is generally expected to value a client's VA collateral on the basis of the prices at the virtual asset trading platform⁶ ("VATP") at which the client's VA orders are executed. In addition, an RI should maintain a contingency plan to deal with potential operational disruption at the VATP (e.g. system outage) to mitigate the RI's exposure.
- (7) All other existing requirements⁷ applicable to securities margin financing and RIs will continue to apply, with these requirements extended to VA financing and VA collateral, supplemented by this circular. In particular:
- (a) the amount owed by a margin client under VA financing will be considered as part of the RI's margin loan;
 - (b) collateral concentration controls should apply to both securities collateral and VA collateral, with due consideration given to digital asset sector concentration mentioned above; and

⁵ For bitcoin and ether, haircut of 60% or more to the market value should be applied.

⁶ For the avoidance of doubt, an RI may also value a client's Relevant Stablecoin collateral on the basis of the prices at the HKMA-licensed stablecoin issuer at which the client's Relevant Stablecoin orders are executed.

⁷ These include all relevant HKMA requirements for lending related activities, including but not limited to, credit risk management and collateral management.

- (c) the RI should not repledge, reuse or create encumbrance over the VA collateral other than enforcing the collateral upon client default.

An RI is expected to maintain all existing credit controls for securities margin financing when engaging in VA financing.

- (8) An RI is reminded of the need to set prudent triggers for margin call and stopping further advances to margin clients. Whenever the outstanding margin loan balance exceeds the market value of the underlying collateral in a margin client's account, or when a margin client has an amount of outstanding margin call and a poor history of settling margin calls, an RI should:
 - (a) suspend any further advance to the margin client;
 - (b) stop any further VA purchase by the margin client using the margin facility; and
 - (c) conduct an ad-hoc review of the margin client's credit limit and trading limit.
- (9) Since VA collateral is not recognised under the Banking (Capital) Rules ("BCR") for risk-based capital requirement calculations, loans solely collateralised by VAs must be treated as clean loans granted to the clients for such purpose.

The Terms and Conditions have been revised to reflect the relaxation as attached to the HKMA's circular on "Virtual asset-related activities in relation to relevant stablecoins issued by licensed stablecoin issuers" issued on 27 May 2026.

Shared Order Book

In the SFC VA Circular dated 11 February 2026, guidance has been provided to a VA broker in respect of agency trading for clients on a Shared Order Book⁸ of a VATP operator. For RIs providing VA dealing services to conduct agency trading of clients on a Shared Order Book and offering retail clients access to the Shared Order Book, they should follow the same guidance given by the SFC to VA brokers as set out in paragraphs 15–17 of the SFC VA Circular dated 11 February 2026.

Client VA withdrawals

To better safeguard client VAs, in addition to the HKMA’s prevailing requirements on related matters (e.g. E-Banking, technology and operational risk management), the expected standards and measures regarding client VA withdrawals as set out in paragraphs 18–20 of the SFC VA Circular dated 11 February 2026 are also applicable to RIs that permit client VA withdrawals.

If you have any questions on this circular, please contact Mr Eric Ng at 2878-8603 for those relating to VA financing, and Mr Adam Tse at 2878-1233 or Ms Karin Lee at 2878-1604 for those relating to Shared Order Book or client VA withdrawals.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

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

⁸ According to the circular on shared liquidity by virtual asset trading platforms issued by the SFC on 3 November 2025, VATP operators are permitted to integrate their order books with those of global affiliate virtual asset trading platform operators, which enables order matching and execution across the shared order books (“Shared Order Book”).