

# Reminder of SFC's Strategic Priorities for 2024-2026



Nithi Genesan

April 8, 2025

In January 2024, the Hong Kong Securities and Futures Commission (SFC) unveiled its Strategic Priorities for 2024-2026, aiming to strengthen Hong Kong's financial markets amidst a rapidly evolving global landscape.

As a licensed corporation in Hong Kong, understanding these priorities is crucial for compliance and staying ahead in a competitive market.

## Key Priorities

The SFC's plan covers four areas:

- **Market resilience:** the plan focuses on protecting against global volatility, cyber security threats, and technological risks. There will be increased scrutiny on cyber security policies and risk management frameworks.
- **Global competitiveness:** the plan aims to deepen ties with mainland China and expand internationally, potentially requiring updates to cross-border compliance and reporting.
- **Technology and ESG transformation:** there is an emphasis on virtual asset regulations, tokenisation, and sustainable finance, meaning firms must prepare for ESG reporting and blockchain-related compliance.
- **Institutional efficiency:** the plan involves digitalising processes and enhancing cyber resilience, to ensure your operations align with streamlined, AI-driven workflows.

## Compliance Implications

Each priority has specific compliance implications. We have set out below some insights to ensure that licensed corporations remain aligned with SFC expectations:

### 1. Market Resilience: Staying Strong Amid Volatility

The SFC is doubling down on protecting Hong Kong's markets from global risks such as cyber security threats and scams. To stay compliant, licensed corporations must:

- **Conduct regular cyber security audits** to identify and remedy any vulnerabilities.
- **Implement robust risk management frameworks** to tackle emerging threats head-on.
- **Train staff on anti-scam protocols** to support the SFC's public education push with the Hong Kong Police Force.

### 2. Global Competitiveness: Expanding Your Reach

Hong Kong's edge as a financial hub is dependent on deeper ties with mainland China and global markets. The SFC wants to boost this through cross-border programs and IPO quality. The compliance checklist includes:

- **Review cross-border compliance policies** to match international standards, particularly for mainland-related activities.
- **Ensure reporting mechanisms** are ready for a broader pool of issuers and investors.

### 3. Technology and ESG Transformation: Leading the Future

The SFC is pushing fintech and sustainable finance, with a focus on virtual assets and ESG (Environmental, Social, and Governance) practices. In order to keep up, licensed corporations must:

- **Adopt ESG disclosure standards** to fight greenwashing and meet growing sustainability demands.
- **Ensure compliance with virtual asset regulations**, prioritising investor protection in this fast-evolving space.
- **Build ties with law enforcement** to prevent tech-related crimes, aligning with the SFC's blockchain and Web 3 goals.

### 4. Institutional Efficiency: Streamlining for Success

The SFC is modernising its own operations and expects licensed corporations to do the same by utilising digital tools and strong defences. There is a focus on:

- **Implementing AI-driven workflows** to match the SFC's efficiency goals and streamline processes.
- **Enhancing cyber security measures** to meet heightened expectations for data protection.

To view the full publication, please click [here](#). Waystone's APAC Compliance Solutions team specialises in regulatory compliance and provides objective insights, subject expertise, and a simple approach to all your compliance-related needs. Should you have any questions on this topic, please reach out to us today.

[Get in touch →](#)