

Compliance Readiness 2026: SFC Checklist and Key Priorities for Fund Managers



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As 2025 comes to a close, Licensed Corporations (“LCs”) with Type 9 licenses in Hong Kong face a pivotal transition into 2026. Beyond routine year end filings, the Securities and Futures Commission (“SFC”) has signaled evolving supervisory priorities that will reshape compliance expectations.

At Waystone, we help fund managers not only meet deadlines but also anticipate what’s next. This guide highlights key SFC filings, regulatory priorities, and a practical checklist to ensure your firm is ready for 2026.

Upcoming SFC Filings – April 2026

Timely submission/fulfilment is essential to avoid penalties and demonstrate governance discipline.

Filing Requirement / Compliance Obligation Fulfilment	Deadline
Continuous Professional Training 2025	31 December 2025
Audited Financial Statements (for LCs with 31 Dec 2025 year end)	30 April 2026
Audited/Revised Financial Return (FRR) (for LCs with 31 Dec 2025 year end)	30 April 2026
Business & Risk Management Questionnaire (BRMQ) (for LCs with 31 Dec 2025 year end)	30 April 2026
Accounting Disclosure Document (ADD) (for LCs with 31 Dec 2025 year end)	30 April 2026
Asset & Wealth Management Activities Survey 2025	April 2026 (date TBC)
Joint Product Survey 2025	Jan–Mar 2026 (date TBC)

Action Tip: Coordinate early with finance and compliance teams. Build a filing calendar with internal checkpoints to avoid last minute bottlenecks.

SFC Regulatory Priorities for 2026

The SFC has outlined several key supervisory priorities for the fund management industry in 2026. LCs should pay close attention to these areas, as they reflect evolving compliance expectations in Hong Kong.

1. Guidelines for Market Soundings

Issued in May 2025, the SFC Guidelines for Market Soundings require both Disclosing Persons and Recipient Persons (including fund managers) to observe strict standards:

- Handling of confidential information
- Governance and monitoring controls
- Implementation of policies and procedures
- Ongoing review and monitoring
- Requirements for disclosing persons
- Requirements for recipient persons in handling market sounding requests.

Checklist Insight: Review and document your market sounding protocols. Ensure governance processes and monitoring controls are clearly defined to demonstrate proactive compliance.

2. Revised FRR forms – May 2025

SFC has issued the revised financial return form in May 2025. Hedge fund managers are reminded to continue to assess their hedge fund strategies and see if the hedge funds under managed fall under the additional requirement on Qualifying Hedge Funds (“QHF”):

- Collection of hedge fund data from asset managers semi-annually
- Additional data request for hedge fund managers
- Newly added Annex A to be filed for QHFs

3. AML/CFT Enhancements

The SFC has tightened Anti Money Laundering and Counter Terrorist Financing (AML/CFT) expectations, including:

- Enhanced detection and prevention of layering activities in money laundering
- Implementation of robust transaction monitoring systems and processes
- Oversight of outsourced AML/CFT functions to external service providers.

Checklist Insight: Update AML frameworks to reflect new requirements. Test monitoring systems regularly and ensure outsourced providers meet SFC standards.

4. Deficiencies in Private Funds & Discretionary Accounts

In its October 2024 circular, the SFC highlighted deficiencies and substandard conduct in the management of private funds and discretionary accounts, including:

- Re emphasised senior management responsibilities
- Failure to prevent and manage conflicts of interest
- Failure to manage risk and investments within mandate
- Inadequate risk and information disclosure
- Inappropriate valuation methodologies.

Checklist Insight: Conduct an internal audit of private fund management practices. Document remediation steps for any gaps identified against SFC’s circular.

5. Annual Licensing Fees

Starting 1 April 2025, the SFC resumed collection of annual licensing fees from all intermediaries and licensed individuals. Payments must be made within one month after each license or registration anniversary.

Types of intermediary / licensed individual	Types of RA	Annual licensing fee
Licensed Corporation	RAs other than RA 3	\$4,740 per RA
	RA 3	\$129,730
Responsible Officer	RAs other than RA 3	\$4,740 per RA
	RA 3	\$5,370
Licensed Representative	RAs other than RA 3	\$1,790 per RA
	RA 3	\$2,420
Registered Institution	RAs other than RAs 3 and RA 8	\$35,000 per RA

Checklist Insight: Budget for annual licensing fees and set automated reminders to avoid late payment penalties.

6. Review of the Compliance Manual

LCs are reminded to review and revise their Compliance Manual to ensure it remains up to date and aligned with SFC expectations.

Checklist Insight: Refresh compliance manuals annually. Track updates and board approvals to demonstrate governance discipline.

Staying Ahead of SFC Expectations in 2026 and Beyond

As the regulatory landscape continues to evolve, LCs must move beyond reactive compliance. The SFC's supervisory priorities for 2026 signal a shift toward proactive governance, digital transformation, and enhanced risk management. Firms that anticipate these changes will not only avoid penalties but also strengthen investor confidence and competitive positioning.

Key 2026 Compliance Priorities for LCs

1. Digital Compliance and RegTech Adoption

Why it matters: Manual compliance processes are prone to error and may not withstand SFC scrutiny.

Actionable step: Adopt RegTech and automated reporting tools to reduce errors and demonstrate proactive governance.

2. Data Governance and Cyber Security

Why it matters: Data breaches risk penalties and erode investor trust.

Actionable step: Strengthen cybersecurity with encryption, annual penetration testing, and a documented incident response plan.

3. Management and Disclosure of Climate-related Risks

Why it matters: Management and disclosure of climate-related risks by fund managers have become mandatory since 2022.

Actionable step: Review funds under managed and ensure the LC's fulfilment of requirements in Governance, Investment management, Risk Management and Disclosure.

4. Board and Senior Management Accountability

Why it matters: The SFC is holding senior management directly accountable for compliance failures.

Actionable step: Document board oversight, refresh risk frameworks annually, and ensure senior management sign off on compliance policies.

5. Cross-Border Compliance Readiness

Why it matters: Hong Kong's global role requires alignment with IOSCO, FATF, and Mainland China standards.

Actionable step: Update AML/CFT frameworks, review cross border distribution policies, and monitor regulatory changes in key jurisdictions.

By turning these priorities into actionable steps, LCs can future proof compliance, build investor confidence, and maintain a competitive edge in Hong Kong's evolving regulatory environment.

Practical 2026 Readiness Checklist for LCs

Use this checklist to track readiness across the most critical compliance areas and ensure your firm stays ahead of evolving SFC expectations.

- ✓ Build a 2026 compliance calendar with checkpoints for all SFC filings and fee payments.
- ✓ Review and document market sounding protocols, with governance controls and staff training in place.
- ✓ Upgrade AML/CFT monitoring systems and audit outsourced providers for compliance readiness.
- ✓ Conduct an internal audit as required under the SFC Code of Conduct and/or the Fund Manager Code of Conducts (FMCC).
- ✓ Align Climate-related risks with the requirement stipulated in the FMCC.
- ✓ Strengthen cybersecurity with encryption, penetration testing, and a documented incident response plan.

How Waystone Can Help

By embedding these practices into daily operations, LCs demonstrate regulatory foresight, operational resilience, and investor trustworthiness.

Waystone provides a comprehensive suite of Compliance Solutions tailored to support businesses expanding into or operating within Hong Kong. Our team is committed to strengthening compliance framework, so you can concentrate on growing your business with confidence.

To learn more about our [Compliance Solutions](#), please reach out to your usual Waystone representative or our APAC Compliance Solutions via below.

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