

Hong Kong SFC Issues Approval-in-Principle to OSL for Virtual Asset Automated Trading and Brokerage Licenses

- *OSL receives approval-in-principle for Types 1 and 7 license applications*
- *Licenses will allow STOs and automated digital asset trading*
- *Company on track to become world's only listed, licensed, insured and audited digital asset platform*

Hong Kong – 21 August 2020 – OSL, Asia's leading digital asset platform and member of BC Technology Group (stock code: 863 HK), today received an approval-in-principle for its application to operate a virtual asset trading platform under a license for Type 1 (dealing in securities) and Type 7 (automated trading service (ATS)) regulated activities under the Securities and Futures Commission ("SFC") virtual asset licensing framework in Hong Kong.

Once the conditions for final approval are satisfied, the license will permit OSL to operate a brokerage and automated trading service for digital assets, including security tokens ("STOs"). The company is on track to become the world's only publicly listed, licensed, insured and Big-4 audited digital asset platform.

This follows the November 2019 announcement by the SFC of its ground-breaking regulatory framework for digital asset trading platforms that included requirements on hot and cold digital wallet insurance, client asset segregation, know-your-customer, anti-money laundering, maintenance of orderly markets and other digital asset-specific controls.

"Securing approval-in-principle for a virtual asset trading platform license in Hong Kong, inclusive of security tokens, underscores our commitment to comprehensively addressing the demands of institutional investors," said BC Group CEO Hugh Madden.

"Until now, traditional finance has been observing this asset class with interest, but lack of regulatory clarity has so far discouraged participation," said Madden. "Licensing is a game-changer, because it provides certainty and confidence to investors, unlocking massive participation as it drives the increasing use of our platform by the global institutional investor community."

The SFC framework continues to be the only licensing framework within the top international financial centers that fully integrates the specific requirements for digital asset platforms alongside traditional rigorous securities regulations. Because of this unique integrated framework, clients of a Hong Kong licensed digital asset trading platform can enjoy all the protections and safeguards they have become accustomed to in traditional finance, and can also take comfort in additional protections under the new regime that have been tailor-made for the new asset class.

OSL CEO Wayne Trench added: "The SFC displayed impressive foresight in 2017 when it embarked on developing an ecosystem for professional and institutional traders to invest in digital assets. Recent global regulatory developments, emerging sovereign digital currency trials and increasingly cashless societies, exemplify that digital assets are today's reality and not some distant dream. Both Hong Kong and OSL are well-positioned as institutional participation continues to accelerate in the coming months and years."



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The OSL digital asset platform business experienced exceptional growth and performance in 2019, and in the first half of 2020. In its interim results announcement on 12 August 2020, BC Group stated it had experienced a year-on-year revenue increase of 47%, driven mainly by record annualized trading volumes of USD28 billion achieved during the first six months of the year.

About the OSL Platform and BC Technology Group

Backed by BC Technology Group (stock code: 863 HK), Asia's only listed, licensed and 'Big-four'-audited digital asset and fintech company, OSL is Asia's largest digital asset platform, providing prime brokerage, custody, exchange and SaaS services for institutional clients and professional investors.

The company offers OTC, iRFQ and electronic trading services giving traders access to the world's deepest liquidity pools, digital asset borrowing and lending, as well as secure, insured wallets to ensure the safekeeping of digital assets with timely transaction settlement. OSL is the trusted gateway to the digital asset economy.

For more information: bc.group and osl.com.

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