

Hong Kong conditionally approves first bitcoin and ether ETFs

April 15 2024



Hong Kong's securities regulator granted conditional approval for city's first spot-bitcoin and ether exchange traded funds.

Hong Kong's securities regulator on Monday granted conditional approval to start the city's first spot-bitcoin and ether exchange-traded

funds (ETFs), firms involved said, positioning it as a leader in Asia for the use of cryptocurrencies as investment tools.

ChinaAMC (HK), the city's unit of China Asset Management, said in a statement it had received regulatory approval from Hong Kong's Securities and Futures Commission of Hong Kong (SFC) for the provision of virtual asset management services.

The company is "actively deploying resources in the development of spot Bitcoin ETF and spot Ethereum ETF", it said.

This will be done in partnership with BOCI-Prudential Trustee Limited, a joint venture of the fund [management](#) arm of Bank of China (HK) and the British multinational insurance firm.

Two other fund managers—the Hong Kong units of Harvest Fund Management and Boserá Asset Management—also said they had received conditional approvals from the SFC, Bloomberg reported.

The SFC declined to comment on individual applications.

OSL Digital Securities will provide custody services to China AMC and Harvest to ensure trading safety, the licensed digital assets platform announced Monday.

"This collaboration marks a critical advancement in the financial landscape of the region, heralding a new chapter in digital asset investments," OSL said in a statement.

Hong Kong has been trying to edge ahead as a regional digital asset hub as its international financial center status has been dented by political turmoil in recent years and China's economic downturn.

The latest move came three months after the United States gave the green light to ETFs pegged to bitcoin's spot price, making it easier for mainstream investors to add the unit to their portfolio.

Hong Kong is also widely considered an experimental field for including cryptocurrencies as mainstream investment tools—which are banned in mainland China.

"The financial hub is looking to establish itself as a competitor in the space competing with Dubai and Singapore as regulators open up crypto markets to institutional demand," said James Harte, an analyst from Tickmill.

He added that Bitcoin futures were down "around 7 percent at the lows of the day before sentiment reversed on" Hong Kong's news.

Last December, the city's SFC said it was ready to allow [retail investors](#) to buy funds that are 100 percent invested in some of the digital assets, triggering the first wave of applications from fund managers.

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Citation: Hong Kong conditionally approves first bitcoin and ether ETFs (2024, April 15)
retrieved 2 May 2024 from

<https://techxplore.com/news/2024-04-hong-kong-conditionally-bitcoin-ether.html>

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