**Appendix 1**

**Disclosure statement in respect of a Platform Operator’s independent status**

Where a Platform Operator distributes a virtual asset to clients or makes a virtual asset available to its clients for trading in an off-platform back-to-back transaction, the Platform Operator should inform the client, prior to or at the point of entering into the transaction, whether or not the Platform Operator is independent and the bases for such determination.

Such disclosure should be made by the Platform Operator to the client containing the substance set out in the following disclosure statements.

**Where the Platform Operator is independent:**

“We are an independent Platform Operator because:

1. we do not receive fees, commissions, or any other monetary benefits, provided by any party in relation to our distribution of any virtual asset to you or making any virtual assets available for trading by you; and
2. we do not have any close links or other legal or economic relationships with the virtual asset issuer, or receive any non-monetary benefits from any party, which are likely to impair our independence to favour any particular virtual asset, any class of virtual assets or any virtual asset issuer.”

**Where the Platform Operator is not independent:**

“We are NOT an independent Platform Operator because:

1. we receive fees, commissions, or other monetary benefits from other parties (which may include issuers) in relation to our distribution of virtual assets to you or making any virtual assets available for trading by you. For details, you should refer to our disclosure on monetary benefits which we are required to deliver to you prior to or at the point of entering into any transaction in virtual assets; and/or
2. we receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with the virtual asset issuers that we may distribute to you or make available to you for trading.”

*Note: In addition to making the disclosure in the paragraph above, it is optional for a Platform Operator to further provide a description of the close links or other legal or economic relationships with the virtual asset issuers which are likely to impair the Platform Operator’s independence to favour any particular virtual asset, any class of virtual assets or any virtual asset issuer.*