Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds

These FAQs aim to provide basic information to market practitioners concerning the application procedures for authorization of unit trusts and mutual funds pursuant to the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (Handbook), including the Code on Unit Trusts and Mutual Funds (UT Code). Applicants are encouraged to contact the relevant case team in the Investment Products Division for any specific issues arising from the application/interpretation of the Handbook or these FAQs. Please note that each application for authorization is considered on a case-by-case basis.

For the purpose of these FAQs:

- UCITS funds mean (i) Undertakings for Collective Investment in Transferable Securities (UCITS) domiciled in France, Luxembourg, Ireland and the Netherlands, and (ii) collective investment schemes domiciled in the United Kingdom authorized as UK UCITS; and

- MRF Jurisdictions refer to jurisdictions that have entered into mutual recognition of funds (MRF) arrangements with Hong Kong, which currently include Australia, France, Ireland, Luxembourg, Mainland, Malaysia, the Netherlands, Switzerland, Taiwan China, Thailand, the United Arab Emirates and the United Kingdom.

The information set out below is not meant to be exhaustive. These FAQs may be updated and revised from time to time. They are only for general reference. Compliance with all the requirements in these FAQs do not necessarily mean an application will be accepted or authorization will be granted. The SFC reserves the rights to exercise all powers conferred under the law.

Unless otherwise defined herein, all capitalised terms shall have the meanings given to such terms in the Handbook.

Note: For ease of reference, collective investment schemes that are generally known as unit trusts or mutual funds are referred to as "funds" in the following FAQs.

	Question	Answer
	Basic Documentary Requirements for Fund Application	
1.	How do I start an application for authorization?	New applicants without an e-IP Managing Company account have to contact the SFC's Investment Products Division to create an account before making an application via e-IP[1]. For further details, please refer to section 2 (Access to Corporate Administration (for e-IP)) of the User Guide: Corporate Administration (for e-IP). To start an application, you have to submit to us via e-IP: a. a duly signed and completed **Application Form**; b. a duly signed and completed **Information Checklist**; c. an advanced draft of the fund's offering document (including the product key facts statements) and, where applicable, marked up against the latest version filed with the SFC; d. constitutive documents of the fund(s) (where applicable, under the circumstances as set out in Chapter 2 of the Guide (as defined below)); e. documents (including any confirmations and/or undertakings) required to be submitted pursuant to the Information Checklist; and f. the application fee (see Q.2 below). During the application process, all changes to any subsequent draft documentation must be properly and comprehensively marked up to facilitate review by the SFC. During the vetting process, the SFC may from time to time request for the submission of additional supporting information or documents which it deems necessary for facilitating its consideration as to whether authorization should be granted.

[1] Please refer to the circular entitled "Circular on launch of e-IP application/submission system on WINGS" dated 8 July 2024.

<table>
<tr><th></th><th>Question</th><th>Answer</th></tr>
<tr><td></td><td></td><td>In preparation for their applications, applicants should also refer to the "Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds" (the Guide) which is posted on the SFC's website. The Guide sets out detailed guidance for applicants to prepare their applications and comply with the requirements under the Handbook, the UT Code and other applicable regulatory requirements as may be issued by the SFC from time to time. Among others, the Guide contains a set of disclosure guidance to facilitate applicants' preparation of their funds' offering documents.</td></tr>
<tr><td>2.</td><td>What fees do I have to pay? Is there any fee waiver?</td><td>In making your application, you will have to pay the Application Fee.

<table>
<tr><th></th><th></th><th>per Single Fund</th><th>per Umbrella Fund</th><th>per Sub-fund</th></tr>
<tr><td>Application Fee:</td><td>HK$</td><td>20,000</td><td>40,000</td><td>5,000</td></tr>
</table>

Upon the granting of authorization, you will also have to pay the following before the authorization is effective.

<table>
<tr><th></th><th></th><th>per Single Fund</th><th>per Umbrella Fund</th><th>per Sub-fund</th></tr>
<tr><td>Authorization Fee</td><td>HK$</td><td>10,000</td><td>20,000</td><td>2,500</td></tr>
<tr><td>Annual Fee</td><td>HK$</td><td>6,000</td><td>7,500</td><td>4,500</td></tr>
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The applicable fees are provided in the Securities and Futures (Fees) Rules (Cap. 571AF) (Fees Rules). Pursuant to section 11 of the Fees Rules, the SFC may waive any or all of the above-mentioned fees. Upon an application for fee waiver supported by valid reasons, the SFC may waive or refund, in whole or in part, the payment of any fees if it is deemed unduly burdensome or inappropriate. This is subject to any applicable minimum amount.

Note 1: The SFC is prepared to consider an application for annual fee waiver if the application for withdrawal of authorization of a fund has been approved and the annual fee due date falls within the notice period of withdrawal of authorization.</td></tr>
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	Question	Answer
		Note 2: If a fund is authorized under multiple product regimes (e.g. the regime for SFC-authorized unit trusts and mutual funds and the regime for mandatory provident funds) and each regime has its own set of fees, the SFC is prepared to consider an application for fee waiver and charge only one set of fees to avoid double charging. Note 3: If an application is made for the authorization of a new fund (New Fund) established for the purposes of migrating an existing SFC-authorized fund (Existing Fund) to the New Fund, and the Existing Fund and New Fund are substantially the same with non-material changes to the documents already authorized or vetted by the SFC, the SFC is prepared to consider an application for waiver of the application fee in respect of the New Fund. In considering whether the Existing Fund and New Fund are substantially the same, the SFC will take into account factors such as their key operators, key features (e.g. investment objectives, policies and restrictions) and risk profile.
3.	What are the requirements for submitting documents and application fee in support of a new fund application to the SFC?	To commence an application, various documents, including offering documents, duly signed and completed application form, information checklist and confirmations, as well as the application fee are required to be submitted to the SFC via e-IP. *A) Submission of application documents by soft copy* Applicants shall submit all application-related documents by soft copy. The official receipt date of a new fund application shall be a business day on which the full and complete set of soft copy documents is received by the SFC via e-IP at or before 6 pm (after which the receipt date will be deemed as the following business day). *B) Signing of application documents* During the application process, you must complete the signing process for certain application documents (including the application form and the applicable information checklist(s)) in e-IP. Please see section 4.1.2.5. entitled – "Completing the signing process for the Ordinary Form(s) & Checklist(s) (where applicable)" of the e-IP (Investment Products Division) User Guide for details. For other application documents not covered in the signing process in e-IP, please refer to the options below:

	Question	Answer
		Option 1: We will accept submission of un-signed copies of the relevant information checklists, confirmations and other relevant documents (the Relevant Forms), which are required to be completed, as applicable, by an applicant, trustee/custodian, investment delegate of the fund or other parties, provided that the Relevant Forms shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all information, and confirmations and undertakings where applicable, contained in the Relevant Forms (and all documents submitted relating thereto) are true and accurate. Option 2: An applicant may submit scanned copies of the Relevant Forms signed by a person who meets the signatory requirements. While the SFC will take up a new fund application when the application fee is the only outstanding matter, an applicant is expected to submit the application fee as soon as practicable upon receipt of the Take-up Letter (see Q.8 below) from the SFC.
	Fund Authorization Process	
4.	What is the SFC's approach to processing new fund applications?	An efficient authorization process that focuses on key risks can reduce funds' "time to market" for public offering. To achieve this, applicants must ensure that their applications are in good order and supported by documents that meet all applicable regulatory requirements, as well as to provide proper and quality submissions both at the time of submission and throughout the application process in a timely manner. If the application documentation is complete and in good order, the SFC will determine and process new fund applications under the following three streams: a. FASTrack[2];

[2] FASTrack refers to the Fund Authorisation Simple Track launched by the SFC which took effect from 4 November 2024. Please refer to the circular entitled "Launch of a new Fund Authorisation Simple Track (FASTrack)" dated 21 October 2024, as updated from time to time.

	Question	Answer
		b. Standard Applications; or c. Non-standard Applications. The SFC will, among other factors, take into account specific circumstances on a case-by-case basis in determining the stream under which a new fund application will be processed.
5.	What types of applications will be eligible for FASTrack?	FASTrack covers simple funds domiciled in MRF Jurisdictions which are already regulated by their home regulators and are subject to a comparable level of investor protection offered by the regulatory regimes with satisfactory co-operation arrangements with the SFC. Application for a fund from MRF Jurisdictions will be processed under FASTrack if the following criteria are met: i. the fund is (a) an equity, bond or mixed fund; (b) an exchange-traded fund (ETF) or unlisted index fund tracking an index which is adopted by other existing SFC-authorized fund(s) or a plain vanilla index[3]; or (c) a feeder fund where the underlying master fund is eligible for FASTrack; ii. the fund is not a complex product[4] and does not have novel features; iii. the management company of the fund is located in an MRF Jurisdiction or a jurisdiction with an inspection regime acceptable to the SFC (AIR Jurisdiction) with good regulatory records; iv. if appliable, (a) the investment delegate is located in an MRF Jurisdiction or an AIR Jurisdiction; or (b) the investment delegate is an affiliate of the management company or is managing other SFC-authorized funds; and

[3] A plain vanilla index will generally include a free float market capitalization weighted equities index and exclude a strategy index, smart-beta / value-based index, equal weighted equities index, and equities index with covered call and/or hedging elements, etc.

[4] Generally, it refers to a fund without terms, features and risks that are not reasonably likely for retail investors to understand.

	Question	Answer
		v. there are no material issues and/or wider policy implications relating to the application as considered by the SFC.
6.	What types of applications will be processed under the "Standard Applications" stream?	"Standard Applications" covers applications that are less complicated in nature and are not eligible under FASTrack, where the following criteria are met: i. the fund under application is a sub-fund under an existing SFC-authorized umbrella fund; ii. the relevant new sub-fund is: (a) a fund which complies with Chapter 7 of the UT Code or a non-complex product (see footnote 4); (b) an ETF or unlisted index fund tracking an index adopted by other existing SFC-authorized fund(s) or a plain vanilla index[3]; or (c) an active ETF which complies with paragraph 8.10 of the UT Code; iii. the new sub-fund is not seeking authorization as an approved pooled investment fund under the SFC Code on MPF Products; iv. the management company of the fund is located in an AIR Jurisdiction with good regulatory records; v. if appliable, (a) the investment delegate is located in an MRF Jurisdiction or an AIR Jurisdiction; or (b) the investment delegate is an affiliate of the management company or is managing other SFC-authorized funds; and vi. there are no material issues and/or wider policy implications relating to the application as considered by the SFC.
7.	Are there any types of applications that the SFC would generally process as a Non-standard Application?	Applications for funds that do not fall under the criteria eligible for FASTrack or Standard Applications will be dealt with as Non-Standard Applications. A few illustrative examples are listed below: i. a leveraged or inverse product; or ii. a futures-based unlisted index fund or ETF; or iii. a feeder fund where the underlying master fund is not eligible for processing under

	Question	Answer
		FASTrack or as a Standard Application; or iv. a fund with guaranteed features.
8.	When will the SFC take up an application after I have submitted my application? And when will an applicant know which stream applies to its application?	The SFC will inform the applicants of its take-up decision within 5 business days upon receipt of an application. If the Application Form, Information Checklist and all necessary documents in support of the application are in good order, the SFC will issue a letter (Take-up Letter) to inform the applicant that the SFC will process the application. The SFC will also indicate whether the application will be processed under FASTrack, as a Standard Application or Non-standard Application. i. The date of the Take-up Letter (i.e. the "Take-up Date") is the date on which the SFC formally takes up the application. ii. The applicant is expected to submit the applicable application fee (see Q.2 above) as soon as practicable upon receipt of the Take-up Letter from the SFC. Once an application is taken up, the application fee will not be refunded. If the SFC is not satisfied with the completeness or quality of the information (such as the disclosures in the offering documents including the product key facts statements) contained in the first submission package or considers that documents submitted do not meet the requirements of the Handbook, the UT Code and/or the Guide in any material aspect or otherwise not suitable for clearance, the application will not be taken up.
9.	After the Take-up Date, when will the SFC provide response to my application?	The SFC has pledged to provide responses to applications as follows: i. For FASTrack, within 10 business days from the Take-up Date; and ii. For Standard Applications or Non-standard Applications, within 14 business days from the Take-up Date.
10.	What is the expected overall	Applications under FASTrack will be processed with an aim that the SFC's authorization (if

	Question	Answer
	processing time for new fund applications? Are there any time limits within which an applicant needs to respond to the SFC's requisitions (if issued)?	successful) will be granted within 10 business days from the Take-up Date. In cases where there are matters or changes in circumstances that may affect its assessment of the application after the Take-up Date, the SFC may raise appropriate requisitions for applicants to respond within 1 month. Standard Applications and Non-standard Applications will be processed with an aim that the SFC's authorization (if granted) will be given on an average within 1-2 months and 2-3 months respectively from the Take-up Date. Applicants are required to respond within the following time limits: (i) for Standard Applications, within 1 month from the date of first requisition[5]; and (i) for Non-standard Applications, within 14 business days from the date of first requisitions and within 10 business days for subsequent requisitions. To achieve the expected overall processing time, the applicants are expected to provide proper and quality submissions throughout the application process in a timely manner. For illustrations of the overall processing time for new fund application, applicants may refer to the flow charts entitled "Illustrations of the Overall New Fund Application Process".
11.	What would happen if an applicant fails to meet the response time limits?	Reponses to requisitions should be made within a reasonable period for an efficient and effective authorization process. Unless for an exceptional reason, the applicant is expected to respond to the SFC's requisitions within the relevant response time limits. Therefore where, in the SFC's opinion, an applicant has not responded or provided proper and complete response to address the SFC's requisitions within the applicable response time limits, the SFC may refuse to grant the authorization. Once a fund application has been refused, the applicant shall make a new application if it wishes to seek authorization of the fund again. Then it will need to pay the application fee for the new application and repeat the application procedures.
12.	Will the SFC extend the response time	In general, the SFC expects applicants to cooperate and remain committed by placing adequate and dedicated internal resources throughout the application process to ensure

[5] The SFC may proceed to authorize the fund(s) within 14 business days from the Take-up Date if the applications are complete and in good order.

	Question	Answer
	limits?	the overall efficacy of authorization process. The SFC would only grant an extension of the response time limit in limited cases with proper justifications. For example, the mere fact that further internal liaison/communication is required by the applicant with its overseas offices or other key operating parties to address the SFC's requisitions will not generally be considered as satisfactory grounds for the granting of an extension.
13.	Will my application be liable to refusal by the SFC under any circumstances apart from the failure to meet the relevant response time limits in addressing the SFC's requisitions? Also, will my application lapse after a certain period of time? If so, how long? What should I do if my application has lapsed?	Yes, the SFC will refuse an application in cases of non-compliance with any key requirements at any time during the vetting process. If, for any reason, 6 months have elapsed from the Take-up Date (the "6-month Period") and no authorization has been granted, the application will lapse subject to the SFC's right to grant an extension at its sole discretion. The application fee in respect of the application will not be refunded to the applicant. In general, the SFC will only consider granting an extension in limited circumstances. Applicants will be reminded that the application will lapse at the expiry of the 6-month Period in the Take-up Letter. Once a fund application has lapsed, the applicant may make a new application if it still wishes to seek authorization of the fund. In that case it will need to pay the application fee for the new application and repeat the application procedures.
14.	Will the SFC extend the application beyond the 6-month Period?	The SFC will only consider granting an extension under exceptional circumstances upon the submission of satisfactory grounds by the applicant. Applicants are encouraged to consult the SFC in advance if in doubt.
	Authorization	
15.	What does the applicant need to submit to the SFC if the SFC has	Under sections 104(1) and 105(1) of the Securities and Futures Ordinance (SFO), the SFC may, where appropriate, authorize a fund and the issue of its offering document

	Question	Answer
	granted authorization with conditions to the new fund application?	respectively, subject to such conditions as it considers appropriate. For the authorization of a fund and its offering document (Authorization) to become effective, the applicant must fully comply with all the conditions (Conditions) that are required to be satisfied for the Authorization to take effect as set out in the SFC's authorization letter (Authorization Letter). In general, these conditions must be fulfilled within 2 months from the date of the Authorization Letter, or the extended time limit agreed by the SFC upon the applicant's submission. To make the Authorization effective, the applicant must submit to the SFC a duly completed and executed Confirmation of Fulfilment of Authorization Conditions confirming, among other things, its agreement to all the conditions as set out in the Authorization Letter, together with the required documents as stated in the Authorization Letter generally within 2 months from the date of the Authorization Letter (or the extended time limits agreed by the SFC upon the applicant's submission). For further details, refer to Chapter 7 of the Guide regarding documentation requirements following the SFC authorization and before the authorization becoming effective.
16.	Will the SFC extend the time period for fulfilment of the Conditions by the applicant for an Authorization to become effective beyond 2 months from the date of the Authorization Letter?	The SFC expects that all applicable Conditions for an Authorization to become effective will be fulfilled within a reasonable time. The SFC may consider an extension of the 2-month period for fulfilment of relevant Conditions upon the applicant's submission of proper justifications to the SFC's satisfaction. For example, extended periods may be agreed by the SFC in the case of a fund primarily regulated by an overseas regulator where additional time is required for the formal written approval from the home regulator of the fund's offering documents, or in the case of ETFs in which the outstanding document is the listing approval from The Stock Exchange of Hong Kong Limited.
	General	
17.	What would the SFC take into account when considering whether to grant	Under Part IV of the SFO, on an application to the SFC, the SFC may, where appropriate, authorize any collective investment scheme, and/or authorize the issue of any offering

	Question	Answer
	authorization of a collective investment scheme and/or for the issue of its relevant offering documents?	document or advertisement in respect of a collective investment scheme, subject to any conditions it considers appropriate. The SFC may take any factor into account as it considers appropriate. These include, but are not limited to the following: i. whether all requisite information and documents have been submitted in all cases to the SFC's satisfaction; ii. compliance with the requirements under the Handbook, the UT Code and other applicable regulatory requirements as may be issued by the SFC from time to time; and iii. any past record of non-compliance with the SFO or other applicable laws of Hong Kong SAR, the Handbook on the part of any relevant party to the application, refusal/rejection of application, or involuntary revocation/withdrawal of authorization in respect of a prior application, made in Hong Kong or the home jurisdiction of the product in question relating to a product with materially similar structure or features. Parties to the application are urged to refer to the Handbook, the UT Code, the Guide and the Published Guidance (as referred to in the Guide) including any FAQs published by the SFC from time to time.
18.	Is the offering document of the fund required to be produced in both English and Chinese languages?	The fund's offering document must be in English and traditional Chinese. The Chinese offering document should be accompanied by a written confirmation regarding the truth and accuracy of the Chinese translation. The Chinese translation confirmation may be issued by any of the following parties: a. a qualified lawyer in Hong Kong; b. the board of directors of the scheme; c. the board of directors of the scheme's management company; d. the head of the legal department or the compliance officer-in-charge of the

	Question	Answer
		management company or its Hong Kong representative who has overall responsibility for the compliance of the subject application; or e. such other person acceptable to the SFC. The person providing the confirmation must be fully conversant in the Chinese language or must certify that an individual who is fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the relevant Chinese documents has been appointed to do so. In the case where a translator is appointed by one of the above parties, the following should be submitted to us: (i) a confirmation issued by the party appointing the translator to certify that such translator is fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the relevant Chinese documents; and (ii) the Chinese translation confirmation issued by the translator confirming that the Chinese version of the offering document is a true and accurate translation of the English version of the same. You are reminded that the directors of the scheme or the management company are responsible for the information contained in the offering document as being accurate, regardless of the language of publication.

Last update: 28 October 2026