

Memorandum of Understanding (MoU)
between
the Securities and Futures Commission of Hong Kong (SFC)
and
the Securities and Commodities Authority of the United Arab
Emirates (SCA)
Concerning Mutual Recognition of Investment Funds and
Investment Management Companies and related Cooperation
Dated 17 September 2025

This MoU has been concluded between the SFC and the SCA, in light of continued global financial market growth and increasing cross-border activity in asset management and the offering and distribution of collective investment schemes. Its purpose is to enhance cooperation in relation to (i) collective investment schemes domiciled in either Hong Kong or the United Arab Emirates (UAE) and offered to the public in the UAE and/or Hong Kong on a cross-border basis, and (ii) management companies of collective investment schemes, based in either Hong Kong or the UAE.

The SFC is the principal regulator of the securities and futures market in Hong Kong and the primary authority for regulating retail funds offered to the public in Hong Kong. The role of the SFC is as follows: licensing and supervision of the activities of intermediaries, including fund managers and distributors; authorising funds and their offering documents to be offered to the public in Hong Kong and the ongoing supervision of SFC-authorised funds.

As a statutory body, the SFC's regulatory objectives and functions are defined and governed by the Securities and Futures Ordinance. The SFC's regulatory objectives include:

- to maintain and promote the fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry;
- to help the public understand the workings of the securities and futures industry;
- to provide protection for the investing public;
- to minimise crime and misconduct in the securities and futures industry;
- to reduce systemic risks in the securities and futures industry; and
- to assist the Financial Secretary in maintaining Hong Kong's financial stability.

The SCA was established as a federal authority pursuant to Federal Law No. (4) of 2000 Concerning the Emirates Securities and Commodities Authority and Market with the control and executive powers to regulate the securities and commodities markets in the UAE, excluding the financial free zones.

The SCA's regulatory objectives include:

- to provide the opportunity to invest savings and funds in securities and commodities in a manner that serves the interest of the national economy, and secures the integrity and accuracy of transactions;
- to protect investors in securities and commodities;
- to develop investment awareness by conducting studies and presenting recommendations;

- and
- to work to secure financial and economic stability.

The SFC and the SCA express their willingness to cooperate with each other in the interest of fulfilling their respective supervisory and regulatory mandates, particularly with the aim of protecting investors and ensuring that the financial markets function properly.

Article 1 Definitions

In this MoU:

- a) "Authority" or "Authorities" means the SFC and/or the SCA, including their possible successor(s).
- b) "CIS" means collective investment schemes.
- c) "Cross-border On-site Visit" means any visit by one Authority to the premises of an Investment Management Company located in the other Authority's jurisdiction for supervisory purposes.
- d) "Disclosing Authority" means the Authority providing any information under this MoU.
- e) "Domestic Law" means any applicable laws, ordinances and other regulations or requirements in each Authority's jurisdiction.
- f) "Emergency Situation" means the occurrence of an event that could materially impair the financial or operational condition of an Investment Entity, the investors of Investment Funds or the proper functioning of the financial markets.
- g) "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.
- h) "Hong Kong CIS" means open-ended fund companies (as defined in Section 112A of the SFO), unit trusts or other forms of collective investment schemes (as defined in Section 1 of Part 1 of Schedule 1 to the SFO) domiciled in Hong Kong which are authorised by the SFC under Section 104 of the SFO in accordance with the Overarching Principles Section and the UT Code.
- i) "Hong Kong Investment Management Company" means a corporation which is licensed or registered for Type 9 regulated activity (asset management) in accordance with Part V of the SFO.
- j) "Investment Entity" means an Investment Fund and/or Investment Management Company.
- k) "Investment Fund" means an UAE CIS and/or a Hong Kong CIS managed by an Investment Management Company, authorised/licensed or seeking authorisation/licensing on a cross-border basis in accordance with Article 3 of this MoU.
- l) "Investment Management Company" means an UAE Investment Management Company or a Hong Kong Investment Management Company that is licensed in (the UAE) or licensed/registered in (Hong Kong) by the relevant Authority to manage Investment Funds and that meets the applicable conditions set out in Appendix B to this MoU.
- m) "IOSCO MMoU" means the multilateral memorandum of understanding concerning consultation and cooperation and the exchange of information established by the International Organization of Securities Commissions to which the SCA and the SFC are both signatories.
- n) "Overarching Principles Section" means the Overarching Principles Section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products issued by the SFC, as may be amended, supplemented or otherwise modified from time to time.

- o) "Person" means a natural person or legal person, or an unincorporated entity or association, including partnerships, corporations and bodies corporate.
- p) "Receiving Authority" means the Authority receiving any information under this MoU.
- q) "Requesting Authority" means the Authority making a request under this MoU.
- r) "SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) which governs the securities and futures market and industry in Hong Kong, as may be amended, supplemented or otherwise modified from time to time.
- s) "UAE CIS" means a collective investment scheme domiciled in the UAE which is licensed by the SCA under the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds for public offering in the UAE.
- t) "UAE Investment Management Company" means a firm licensed by the SCA to manage collective investment schemes in accordance with The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (Section 3 Chapter 5 Article 10) and the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds.
- u) "UT Code" means the Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products issued by the SFC, as may be amended, supplemented or otherwise modified from time to time.

Article 2 General provisions

1. This MoU is a statement of intent to cooperate in relation to Investment Entities to the extent possible under Domestic Law.
2. This MoU does not create any legally binding obligations, confer any rights on any person, or modify or supersede any Domestic Law or any arrangements made or to be made under other MoUs or agreements.
3. This MoU complements, but does not alter, the terms and conditions of existing arrangements between the Authorities such as the IOSCO MMoU. To the extent that a party intends to make a request for enforcement-related assistance or cooperation, it shall make a separate request under the IOSCO MMoU.
4. Within the framework of this MoU, each Authority will remain responsible for regulating and supervising the offering, marketing and distribution of an Investment Fund within its jurisdiction in compliance with the applicable Domestic Law. The offering, marketing and distribution of Investment Funds in the host jurisdiction shall comply with the applicable Domestic Law in the host jurisdiction.
5. Within the framework of this MoU, the Authorities will provide each other with the fullest cooperation in relation to Investment Entities. Following consultation, cooperation may be denied:
 - a) where cooperation would require an Authority to act in a manner that would violate Domestic Law;
 - b) where a request for information is not made in accordance with Article 7 of this MoU;
 - c) where the information is intended to be or could be used in or for the purpose of taking enforcement actions in the jurisdiction of the Receiving Authority, in which case the Authorities should cooperate under and be bound by the terms and conditions of the IOSCO MMoU; or
 - d) on the grounds of public interest in the relevant jurisdiction.

For the purposes of this MoU, "taking enforcement actions" include conducting investigations or

- bringing judicial or any other proceedings.
6. In accordance with Domestic Law, each Authority has discretion:
 - a) to refuse to authorise, license or recognise an Investment Fund within its jurisdiction notwithstanding that the Investment Fund falls within the parameters of this MoU;
 - b) to regulate the offering, marketing and distribution of an Investment Fund within its jurisdiction, including by exercising the power to require Persons engaging in the offering, marketing and distribution of the Investment Fund to be accredited, authorised, licensed or registered or to have the relevant qualifications, and to comply with applicable requirements;
 - c) to suspend or terminate the offering of an Investment Fund within its jurisdiction notwithstanding that the Investment Fund has been authorised/licensed for offering within the parameters of this MoU; and
 - d) to take appropriate enforcement action against an Investment Entity.
 7. The Authorities agree to seek resolution of any disputes arising from the interpretation or implementation of this MOU through amicable negotiation and consultation.
 8. To facilitate cooperation under this MoU, the Authorities have designated contact points as set out in Appendix A.

Article 3 Scope of mutual recognition

1. Recognition of Investment Funds

- a) Pursuant to this MoU, the Authorities agree to consider applications by Investment Funds for:
 - Hong Kong authorisation through a streamlined process in accordance with Section 104 of the SFO; or
 - licensing by the SCA pursuant to the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds through a streamlined process.,provided that the Investment Funds meet the applicable conditions and requirements as set out in Appendix B.
- b) Appendix B may be amended from time to time by mutual agreement in writing, and each Authority will publish the content of the latest version on its website.
- c) In accordance with Domestic Law and subject to prior consultation, each Authority may impose specific requirements on an Investment Fund in light of the specific circumstances of that Investment Fund, whether upon or subsequent to the authorisation/licensing of the relevant Investment Fund.

2. Investment Management Companies

Based on their common understanding of their regulatory and supervisory frameworks concerning management companies, the Authorities agree that their respective Investment Management Companies are eligible to manage Investment Funds authorised/licensed in their home jurisdiction and make the necessary arrangements to offer, market and distribute such Investment Funds in the host jurisdiction, provided that:

- a) the Investment Management Companies meet the applicable conditions set out in Appendix B, and
- b) the offering, marketing and distribution of the Investment Funds in the host jurisdiction comply with the requirements set out in the Domestic Law of the host jurisdiction.

3. Delegation

- a) The SCA recognises Hong Kong Investment Management Companies are eligible to undertake asset management activities as delegates for UAE CIS and other CIS (provided that the home authority of the relevant other CIS recognises Hong Kong Investment Management Companies also as eligible) which are approved by the SCA for offering to the public in the UAE provided that the delegation arrangement complies with the requirements provided in the Domestic Law of the UAE.
- b) The SFC recognises UAE Investment Management Companies are eligible to undertake asset management activities as delegates for Hong Kong CIS and other CIS (provided that the home authority of the relevant other CIS recognises UAE Management Companies also as eligible) which are authorised by the SFC under Section 104 of the SFO for offering to the public in Hong Kong provided that the delegation arrangement complies with the requirements provided in the Domestic Law of Hong Kong.
- c) If the investment management function is delegated in accordance with sub-paragraph 3(a) or 3(b) above to a Hong Kong Investment Management Company or an UAE Investment Management Company, that Hong Kong Investment Management Company or UAE Investment Management Company in its capacity of delegate is deemed an Investment Management Company and an Investment Entity for the purpose of this MoU.

Article 4 Scope of cooperation

- 1. Cooperation includes, inter alia, consultation, exchange of information, Cross-border On-site Visits and matters of mutual supervisory interest, including regulatory developments, but does not include assistance requested or rendered for use in or for the purpose of taking enforcement actions which should be conducted in accordance with the provisions of the IOSCO MMoU.
- 2. Cooperation will be most useful in, but is not limited to, the following circumstances:
 - a) the initial application of an Investment Entity from one jurisdiction for authorisation/licensing/registration in the other jurisdiction; and
 - b) the ongoing supervision of an Investment Entity.
- 3. Subject to the provisions of Domestic Law, the Authorities may cooperate:
 - a) on an ongoing basis or ad hoc;
 - b) orally or in writing; and
 - c) upon request or on their own initiative (i.e. without a formal request).

Article 5 Notification

- 1. The Authorities will inform each other to the extent possible and as soon as practicable about:
 - a) any known material event that could impact the proper functioning of the financial markets, or have a significant adverse impact on Investment Entities or investors of Investment Funds; and
 - b) any significant regulatory or supervisory or enforcement actions or sanctions taken by the Authorities in respect of an Investment Entity, including the withdrawal, revocation, suspension or modifications of any relevant authorisations, licences, or registrations in respect of such Investment Entity which may have, in their reasonable opinion, a material impact on that Investment Entity.
- 2. With respect to an Investment Fund, each Authority will, to the extent possible, inform the other on a timely basis of:
 - a) any decision or, where appropriate, pending decision to revoke the authorisation/licensing for distribution in or from the UAE or Hong Kong taken by it;

- b) relevant issues such as the revocation of, or any significant changes to authorisations, licences or registrations of related Investment Entities; and
 - c) (where applicable and practicable in the relevant jurisdiction) material complaints from investors in relation to the Investment Entity which are brought to the Authority's attention.
3. As necessary from time to time, each Authority will inform the other about any significant amendments to Domestic Law which are likely to have a material impact on the matters covered by, and/or cooperation under, this MoU.
 4. Once a year, each Authority will provide the other with a list of the Investment Funds authorised/licensed in the other Authority's jurisdiction under the relevant Domestic Law in accordance with this MoU.
 5. For the avoidance of doubt, this Article 5 does not apply to the notification of non-public information for use in or for the purpose of taking enforcement actions in the jurisdiction of the Receiving Authority, which should be governed by the terms and conditions of the IOSCO MMoU.

Article 6 Exchange of information

1. Upon request and in accordance with Article 7 below, each Authority will use its reasonable endeavours to provide the other Authority with assistance:
 - a) in obtaining information not otherwise available to the Requesting Authority; and
 - b) to enable the Requesting Authority to interpret and assess an Investment Entity's compliance with Domestic Law that is administered or made by the Requesting Authority.
2. The information exchanged may, subject to any restriction on the disclosure or sharing of information under Domestic Law, include:
 - a) information which would enable the Requesting Authority to verify that an Investment Entity is in compliance with the relevant obligations and requirements of the Domestic Law in the Requesting Authority's jurisdiction that is administered or made by the Requesting Authority;
 - b) information relevant to the financial and operational condition of an Investment Entity, including, for example, reports on capital reserves, liquidity or other prudential measures, and internal control procedures, where this is held and can be easily obtained;
 - c) relevant supervisory information and reports an Investment Entity is required to submit to an Authority including, for example: interim and annual financial statements and early warning notices;
 - d) any inspection findings formally communicated to an Investment Entity in writing;
 - e) information relevant for monitoring and responding to the potential implications of the activities of Investment Entities to ensure the proper functioning of the financial markets;
 - f) other information which is relevant to an Investment Entity; and
 - g) enforcement action against any Investment Management Company which has, had or may have significant impact on the operations of such Investment Management Company in the Requesting Authority's jurisdiction.
3. Each Authority intends, upon request of the other Authority, to provide information relating to an Investment Fund, including the status, additional terms and conditions, and any waiver granted, in respect of the authorisation/licensing of an Investment Fund.
4. Subject to any restriction on the disclosure or sharing of information under Domestic Law, each Authority may disclose non-public information which it considers is likely to be of assistance to the other Authority on a voluntary basis even though no formal request has been made by the other Authority in accordance with Article 7, and the terms and conditions of this MoU will apply if the

Disclosing Authority specifies that the information is provided under this MoU.

5. For the avoidance of doubt, this Article 6 does not apply to the disclosure or sharing of non-public information for use in or for the purpose of taking enforcement actions in the jurisdiction of the Receiving Authority, which should be conducted pursuant to the terms and conditions of the IOSCO MMoU.

Article 7 Form of requests for information

1. A request for information in accordance with Article 6 above should be made in writing and addressed to the relevant contact point set out in Appendix A.
2. A request should specify the following:
 - a) the information sought by the Requesting Authority, including specific questions to be asked and indications of any sensitivity regarding the request;
 - b) a concise description of the facts underlying the request and the supervisory purpose for which the information is sought, including the Domestic Law applicable to the supervisory activity; and
 - c) the desired time period for responding and, where appropriate, the urgency thereof.
3. During Emergency Situations, requests for information may be made in any form, including orally, provided that such a request is confirmed in writing as early as possible thereafter.

Article 8 Cross-border On-site Visits

1. Authorities should discuss and reach an understanding on the terms for conducting Cross-border On-site Visits, taking into full account each other's jurisdiction, legal framework and statutory obligations, particularly when determining the respective roles and responsibilities of the Authorities.
2. The Authorities will adhere to the following procedure before conducting a Cross-border On-site Visit:
 - a) The Authorities will consult each other about the intended timeframe for, and scope of, any Cross-border On-site Visit.
 - b) The Authority in whose jurisdiction a Cross-border On-site Visit would be undertaken should decide whether the visiting officials or Persons mandated should be accompanied by its own officials during the visit.
 - c) When establishing the scope of any proposed Cross-border On-site Visit, the Authority seeking to conduct the visit will give due and full consideration to the supervisory activities of the other Authority and any information that was made available, or is capable of being made available, by that Authority.
 - d) The Authorities will endeavour to assist each other in interpreting the content of publicly and non-publicly available documents, and obtaining information from directors and senior management of Investment Entities, or any other relevant Person for supervisory purposes.

Article 9 Permissible uses of information

1. The Authorities will use non-public information obtained under this MoU solely for the purpose of supervising the distribution of Investment Funds and the supervision of Investment Entities which includes application procedures and ongoing supervision. If non-public information is obtained upon

formal request in accordance with Article 7, the Requesting Authority should use it solely for the purposes specified in the request while if non-public information is obtained without formal request, the Receiving Authority should use it solely for the purposes specified by the Disclosing Authority. If an Authority intends to use non-public information provided by the other Authority for any other purposes, it must obtain prior written consent from the Disclosing Authority.

2. The Authorities recognise that any information obtained under this MoU shall not be used in or for the purposes of taking enforcement actions. In cases where an Authority intends to use any non-public information obtained under this MoU in or for the purpose of taking enforcement actions, a request shall be made pursuant to the IOSCO MMoU and the request and any use of the non-public information shall be governed by the terms and conditions of the IOSCO MMoU.
3. Notwithstanding paragraphs 1 and 2 of this Article, the Authorities recognise that additional restrictions on the use of non-public information may be imposed under Domestic Law.

Article 10 Confidentiality of information and disclosure

1. Subject to paragraphs 2 and 3 of this Article, the Authorities will keep confidential any non-public information communicated between them within the scope of cooperation of this MoU, except:
 - a) this MoU (including its appendices), including any possible revision thereof after its coming into effect by agreement between the Authorities; and
 - b) the fact that this MoU has been terminated under Article 11 of this MoU.
2. The Receiving Authority should obtain prior written consent from the Disclosing Authority before disclosing any confidential information received under this MoU to any third party. If consent is not obtained from the Disclosing Authority, the Authorities will to the extent possible under Domestic Law consult to discuss the reasons for withholding approval, and the circumstances, if any, under which the intended use by the Receiving Authority might be allowed.
3. Where confidential information received under this MoU is subject to a legally enforceable demand for onward disclosure in the Receiving Authority's jurisdiction, the Receiving Authority will notify the Disclosing Authority prior to complying with such a demand, unless it would be a breach of Domestic Law to do so. Where consent to such onward disclosure is not granted by the Disclosing Authority, the Receiving Authority will use all reasonable legal means to resist such a demand and to protect the confidentiality of the information.
4. For the avoidance of doubt, the IOSCO MMoU shall govern the Authorities' confidentiality and similar obligations in relation to any information provided or exchanged that is intended to be used in or for the purpose of taking enforcement actions.

Article 11 Amendment; termination; succession

1. This MoU may be amended by written agreement.
2. Either Authority may terminate this MoU by giving 30 days' advance written notice to the other Authority. If either Authority gives such notice, cooperation will continue on all requests for cooperation that were made under this MoU until notice was given.
3. Notwithstanding any other provision in this MoU, the termination of this MoU by any Authority shall be without prejudice to the rights and obligations of any unitholder, shareholder or participant in any Investment Funds previously authorised/licensed by the Authorities prior to the termination date.
4. In the event of termination of this MoU, information obtained within the scope of cooperation of this MoU will continue to be treated as set out under Articles 9 and 10 above.
5. Subject to Domestic Law, where the relevant function of an Authority is transferred or assigned to another supervisory authority or other supervisory authorities, the terms of this MoU will apply to

the successor authority or authorities performing those relevant functions. No further amendments to this MoU are required for the successor to become a signatory to this MoU. This will not affect the right of the successor authority and its counterparty to terminate this MoU as set out in paragraph 2 of this Article.

Article 12 Entry into force

This MoU enters into force upon signature of the Authorities.

For SCA

For SFC

H.E. Waleed Saeed Al Awadhi
Chief Executive Officer
Signed on 17 September 2025

Julia Leung
Chief Executive Officer
Signed on 17 September 2025

Appendix A

Contact points

| Authority | Contact details |
|-----------------|---|
| SFC (Hong Kong) | Securities and Futures Commission 54/F, One Island East 18 Westlands Road, Quarry Bay Hong Kong Email address: mrfulae@sfc.hk |
| SCA (UAE) | Securities & Commodities Authority 13th Floor, Al Gaith Tower Hamdan Street Abu Dhabi Email address: international@sca.ae |



17 September 2025

Mutual Recognition of Funds (MRF) between the United Arab Emirates (UAE) and Hong Kong

1. The Securities and Futures Commission (SFC) and the Securities and Commodities Authority (SCA) signed a memorandum of understanding concerning the mutual recognition of investment funds and investment management companies and related cooperation (Memorandum) on 17 September 2025 (as amended from time to time).
2. In this circular, “UAE Investment Fund” refers to a UAE-domiciled fund that is eligible for or has received SFC authorisation under MRF, while “UAE Investment Management Company” refers to a UAE management company that is eligible to manage UAE Investment Funds.

General principles

3. MRF operates on the principles that, in respect of an SCA-licensed UAE Investment Fund that is seeking or has received authorisation for offering to the public in Hong Kong:
 - (a) the UAE Investment Fund shall meet the eligibility requirements in accordance with this circular and comply with all of the applicable requirements set out in this circular (see below);
 - (b) the UAE Investment Fund shall remain authorised by the SCA and be allowed to be offered, marketed and distributed to retail investors in the UAE;
 - (c) the UAE Investment Fund shall operate and be managed in accordance with the relevant laws and regulations in the UAE and its offering documents;
 - (d) the sale and distribution of the UAE Investment Fund in Hong Kong shall comply with the applicable laws and regulations in Hong Kong;
 - (e) where relevant, the UAE Investment Fund and the UAE Investment Management Company shall comply with the additional rules released by the SFC governing the authorisation, post-authorisation and ongoing compliance in the context of the offering, marketing and distribution of the UAE Investment Fund to the public in Hong Kong;
 - (f) the UAE Investment Management Company of the UAE Investment Fund shall ensure that investors in both the UAE and Hong Kong receive fair treatment, including in respect of investor protection, exercise of rights, compensation and disclosure of information;
 - (g) ongoing disclosure of information on the UAE Investment Fund shall be made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions).

4. In general, funds that are seeking or have received SFC authorisation for offering to the public in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO) must comply with the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (SFC Handbook), as well as the circulars, guidelines and other requirements as may be issued by the SFC from time to time, together with the SFO, relevant Hong Kong laws and regulations. Based on the principles set out above, if a UAE Investment Fund complies with the relevant UAE laws and regulations and the conditions as set out in this circular, it is generally deemed to have complied in substance with the relevant Hong Kong laws and regulations and will enjoy a streamlined process of authorisation for offering to the public in Hong Kong.
5. In view of the differences between the regulatory regimes in Hong Kong and the UAE, to ensure proper investor protection and consistency with the existing Hong Kong regime for authorised retail funds, this circular sets out the additional requirements with which a UAE Investment Fund must comply when applying for SFC authorisation pursuant to Section 104 of the SFO for offering to the public in Hong Kong under the Memorandum, as well as other requirements which a UAE Investment Management Company and a UAE Investment Fund must observe after obtaining SFC authorisation. The SCA will issue a separate circular regarding the authorisation of eligible Hong Kong funds for public offering in the UAE.

Eligibility requirements and types of eligible funds

6. The eligibility requirements (Eligibility Requirements) are set out in Annex B to this circular.
7. UAE Investment Funds applying for SFC authorisation must fall within at least one of the following eligible fund types¹:
 - (a) General equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) Feeder funds;
 - (c) Unlisted index funds; or
 - (d) Exchange-traded funds (ETFs)².

The SFC and SCA may consider extending the MRF to other types of funds in future in accordance with the Memorandum.

8. The UAE Investment Management Company that is seeking SFC authorisation must indicate to the SFC the fund type(s) in paragraph 7 above which the UAE Investment Fund falls within.

¹ Please note that these are not legally defined categories. They have no statutory legal meaning but are merely indications. UAE Investment Funds shall need confirmation by the SCA that they fall within at least one of the eligible fund types during the application process.

² In case of active ETFs, such ETFs must be non-complex investment products. The factors in determining whether an investment product is complex are set out in paragraph 6.1 of the Guidelines on Online Distribution and Advisory Platforms.

9. All UAE Investment Funds must comply with the requirements set out under the “Requirements applicable to all UAE Investment Funds” section below as well as the relevant requirements set out under the “Requirements applicable to each specific type of UAE Investment Funds” section below.

Requirements applicable to all UAE Investment Funds

10. To ensure proper investor protection and consistency with the existing Hong Kong regime for authorised retail funds, all UAE Investment Funds are required to comply with requirements set out in paragraphs 11 – 32 below, as well as the relevant requirements as set out in Annex A.

Representatives in Hong Kong

11. Each UAE Investment Fund must appoint a firm in Hong Kong as its representative in compliance with Chapter 9 and 11.1(b) of the Code on Unit Trusts and Mutual Funds (UT Code).

Operational and ongoing requirements

Home jurisdiction supervision

12. The UAE Investment Fund must, on an ongoing basis, remain authorised by the SCA for offering to the public in the UAE. The UAE Investment Management Company of the UAE Investment Fund must also remain licensed by the SCA to manage collective investment schemes (CIS) in accordance with The Chairman of the Authority’s Board of Directors’ Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (Section 3 Chapter 5 Article 10) and the SCA Board of Directors’ Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds. Both the UAE Investment Fund and its UAE Investment Management Company must be subject to ongoing regulation and supervision by the SCA.

Changes to UAE Investment Funds

13. Changes to a UAE Investment Fund must be made in accordance with the applicable UAE and Hong Kong laws and regulations and the provisions of its offering documents.
14. Any proposed changes to a UAE Investment Fund that fall within 11.1 of the UT Code³ and revisions made to its offering documents relating to such changes must be submitted by its UAE Investment Management Company for approval by the SFC in accordance with the relevant requirements set out in Annex A. These changes may take effect only upon approval by the SFC and compliance with any relevant notice requirement.

³ Scheme changes which fall under 11.1(b) and 11.1(c) of the UT Code will not require the SFC’s approval if certain requirements as set out in Q.5, 9 and 11A of the Frequently Asked Questions (FAQs) on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds are met: <https://www.sfc.hk/en/faqs/Publicly-offered-investment-products>.

15. Any proposed changes to a UAE Investment Fund that do not require the SFC's prior approval pursuant to 11.1 of the UT Code and revisions made to its offering documents relating to such changes must be filed with the SFC and comply with the relevant requirements set out in Annex A.
16. Investors in the UAE and Hong Kong must be notified at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions) about any changes to the UAE Investment Fund by the UAE Investment Management Company. Equal treatment should be given to investors in both jurisdictions in terms of the form which that notice takes⁴.
17. For the avoidance of doubt, changes that render the UAE Investment Fund ineligible under this MRF (for example, the fund changes its strategy and no longer meets the eligible fund type definition) and revisions made to its offering documents relating to such changes require the SFC's prior approval. The UAE Investment Management Company must notify such changes to the SCA and the SFC as soon as possible.

Breach

18. In the event of a breach of UAE domestic laws or the requirements set out or referred to in this circular, which is notifiable to the SCA and could affect Hong Kong investors in a UAE Investment Fund, the UAE Investment Management Company must endeavour to notify the SCA and report to the SFC at the same time and rectify the breach promptly. The UAE Investment Management Company will notify the SFC once the breach has been rectified.
19. Following SFC authorisation of a UAE Investment Fund under Section 104 of the SFO, if a UAE Investment Fund ceases to meet the requirements set out in this circular, its UAE Investment Management Company must notify the SFC immediately. The UAE Investment Fund must not continue its offering to the public in Hong Kong or accept subscriptions from investors in Hong Kong without the SFC's prior approval.

Withdrawal of authorisation

20. Following SFC authorisation of a UAE Investment Fund, if its UAE Investment Management Company no longer wishes to maintain the authorisation of the fund, it should apply for withdrawal of authorisation of the fund from the SFC and provide notice to Hong Kong investors of its intention not to maintain such authorisation in accordance with the relevant Hong Kong laws and regulations.
21. The SFC may at any time review its authorisation of a UAE Investment Fund and may modify, add to or withdraw any of the conditions of such authorisation, or withdraw the authorisation, as it considers appropriate.

Sale/distribution, offering documents, ongoing disclosure and advertisements

⁴ To the extent there are requirements on minimum notice period and content of or template for notice to Hong Kong investors under relevant Hong Kong laws and regulations, the UAE Investment Funds should comply with these requirements and ensure that investors in the UAE and Hong Kong receive equal treatment in terms of the notice period and information disclosed.

Sale/distribution

22. The sale and distribution of a UAE Investment Fund in Hong Kong must be conducted by intermediaries properly licensed by or registered with the SFC and must comply with the relevant Hong Kong laws and regulations relating to the sale and distribution of funds.

Offering documents

23. The disclosure of information relating to a UAE Investment Fund must be complete, accurate, fair, clear and effective. It must be easily understood by investors.
24. The offering documents of a UAE Investment Fund must be up-to-date and contain information necessary for investors to make informed judgement of the investment proposed to them.
25. A UAE Investment Fund may use the offering documents approved by the SCA. Unless otherwise provided for in this circular, matters such as the type of documents, content, format, frequency of update and the updating procedures must comply with the applicable UAE laws and regulations and the requirements set out in its offering documents. The SCA-approved offering documents may be supplemented by a Hong Kong covering document to comply with the disclosure requirements set out in Annex A⁵. The Hong Kong covering document should also disclose any other information which may have a material impact on investors in Hong Kong. The Hong Kong offering documents shall not contain any information that would be inconsistent with the offering documents approved by the SCA and/or inaccurate/misleading regarding the UAE Investment Fund.
26. The UAE Investment Management Company of a UAE Investment Fund must take reasonable steps and measures to ensure that any updated offering documents and their changes are made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions).

Ongoing disclosure

27. The UAE Investment Management Company of a UAE Investment Fund must take reasonable steps and measures to ensure that the ongoing disclosure of information of the UAE Investment Fund (including periodic financial reports, notices and announcements) is dispatched and made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions) and, in the case of suspension of dealings, must immediately notify the SFC. A UAE Investment Fund must comply with the requirements set out in Annex A and, on an ongoing basis, disclose any other information which may have a material impact on investors in Hong Kong.

⁵ A disclosure requirement in Annex A would be considered met if the relevant disclosure is already included in the prospectus approved by the SCA. The UAE Investment Fund does not need to duplicate the disclosure in the Hong Kong covering document.

28. Subject to paragraph 30, a UAE Investment Fund may use its UAE financial reports as the basis for distribution in Hong Kong, provided that the reports are supplemented by the additional information and meet the other requirements set out in Annex A.

Language

29. The offering documents and notices to Hong Kong investors of a UAE Investment Fund must be provided in English and Chinese.
30. The financial reports of a UAE Investment Fund must be made available to Hong Kong investors in either English or Chinese. The language in which these documents are made available to Hong Kong investors should be clearly disclosed in the offering documents.

Advertising

31. All advertisements in relation to a UAE Investment Fund offered in Hong Kong must comply with the relevant Hong Kong laws and regulations, in particular, the Advertising Guidelines Applicable to Collective Investment Schemes Authorised under the Product Codes⁶.

Fees

32. For offering to the public in Hong Kong, the UAE Investment Fund/UAE Investment Management Company will be subject to the applicable application fees, authorisation fees and annual fees. The UAE Investment Management Company must ensure that any SFC invoiced periodic fees in respect of the UAE Investment Fund are paid.

Requirements applicable to each specific type of UAE Investment Funds

33. In general, the SFC will deem a UAE Investment Fund to have complied substantially with the requirements of the UT Code. There are, however, requirements with which each specific type of UAE Investment Funds must comply. Please refer to Annex A for details.

Application process

34. The SFC understands that this marks the first time UAE Investment Funds may seek authorisation from the SFC. The SFC therefore encourages applicants to consult the Investment Products Division early for any clarification or guidance as to how the relevant requirements may apply and be complied with in light of their specific circumstances.
35. The SFC may issue other circulars, frequently asked questions and other documents on its website from time to time to provide practical guidance to the industry. Please refer to the SFC's website or contact the Investment Products Division.

⁶ <https://www.sfc.hk/web/EN/rules-and-standards/codes-and-guidelines/guidelines/>



36. Applicants shall request the SCA to provide directly to the SFC a certificate confirming that the Eligibility Requirements listed in Annex B to this circular are met. The SFC will not take up the application if no such certificate is received from the SCA.
37. Further details of the MRF application process for a UAE Investment Fund seeking SFC authorisation are available on the SFC's website.

**Investment Products Division
Securities and Futures Commission**

Annex A

Requirements in the Overarching Principles Section of the SFC Handbook (Overarching Principles Section) and UT Code to be complied with by all UAE Investment Funds⁷

Note: for the purpose of this Annex A, in respect of a UAE Investment Fund, reference to “constitutive documents” in the relevant provisions in the Overarching Principles Section and UT Code refers to the principal documents governing the formation of the fund which includes its offering documents and its governing law.

| | Relevant provisions in the Overarching Principles Section and UT Code |
|---|--|
| 1. General requirements | |
| Mention of SFC authorisation and jurisdiction | 1.10 of the Overarching Principles Section and 9.10 of the UT Code |
| General obligations of custodian | 4.5 of the UT Code, except for 4.5(a), 4.5(b), 4.5(c), 4.5(d), 4.5(e), 4.5(i), 4.5(j) and 4.5(k) |
| Retirement of custodian | 4.6 of the UT Code |
| Appointment of management company | 5.2 of the UT Code, except 5.2(a) |
| Retirement of management company | 5.11 of the UT Code, except for 5.11(c); and 5.12(a) |
| Naming of a UAE Covered Fund | 5.1 and 5.2 of the Overarching Principles Section |
| Self-managed schemes | 5.9(b) of the UT Code A self-managed scheme must appoint a UAE management company that is authorised by the SCA to manage collective investment scheme in accordance with The Chairman of the Authority’s Board of Directors’ Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (Section 3 Chapter 5 Article 10) and the SCA Board of Directors’ Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds as investment manager. |

⁷ For the avoidance of doubt, UAE Investment Funds and UAE Investment Management Companies should also comply with the Frequently Asked Questions (FAQs) on UAE-Hong Kong Mutual Recognition of Funds and other relevant FAQs issued by the SFC from time to time, including, FAQs on Advertising Materials of Collective Investment Schemes Authorized under the Product Codes, FAQs on the Code on Unit Trusts and Mutual Funds, FAQs on Exchange Traded Funds and Listed Funds and FAQs on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds.

| 2. Operational requirements | |
|---|---|
| Scheme documentation, pricing, issue and redemption of units/shares, fees | Chapter 6 of the UT Code, except for 6.1, 6.6 – 6.8, 6.10, 6.11, 6.11C, 6.15, and 6.18(b) and (d) |
| Valuation and pricing, pricing errors, suspension and deferral of dealings, transactions with connected persons | Chapter 10 of the UT Code |

| 3. Disclosure requirements in relation to offering documents | |
|---|---|
| Language | 5.6 of the Overarching Principles Section |
| General obligations | 6.2 – 6.3 of the Overarching Principles Section |
| Product key facts statement | 6.5 – 6.8 of the Overarching Principles Section and 6.2A of the UT Code |
| Use of disclaimers | 6.12 of the Overarching Principles Section |
| Enquiries and complaints handling | 7.4 of the Overarching Principles Section |
| Use of financial derivative instruments for investment purpose | 8.9(j) of the UT Code |
| Information to be disclosed in the offering document | Appendix C to the UT Code, except for C20 |

| 4. Disclosure and reporting requirements | |
|---|---|
| Scheme changes, notifications, ongoing disclosures, reporting, withdrawal of authorisation, merger or termination | Chapter 11 of the UT Code, except for 11.1(a) and 11.6A |
| Other documents to be made available to Hong Kong investors as specified in the offering documents | Upon request by investors, specific information regarding these documents should be made available to Hong Kong investors in English or Chinese. Information regarding how investors can make such information requests should also be clearly disclosed in the Hong Kong offering documents. |

| 5. Disclosure requirements in relation to financial reports | |
|--|---------------------------|
| Contents of financial reports | Appendix E of the UT Code |

Requirements in the UT Code to be complied with by each specific type of UAE Investment Funds

| | Relevant provisions in the UT Code |
|--|--|
| General equity funds, bond funds, mixed funds and funds that invest in other schemes | 7.2, 7.10, 7.11C, 7.11D, 7.15, 7.16, 7.28 to 7.36 and 7.42 |
| Feeder funds | 7.12 of the UT Code |
| Unlisted index funds and passively managed index tracking ETFs | 8.6, except for 8.6(a) to (a)(b), 8.6(b) to (c), 8.6(g) to (i) |
| Listed open-ended funds (also known as active ETFs) | 8.10 |

Annex B

Eligibility Requirements

UAE Investment Fund

1. The UAE Investment Fund must be established, domiciled and managed in accordance with UAE laws and regulations and its offering documents. It must be a collective investment scheme which is formally licensed by the SCA under the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds for public offering in the UAE.
2. The UAE Investment Fund must fall within one of the following eligible fund types⁸.
 - (a) general equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) feeder funds, whose underlying funds must be authorised by the SCA and falls within one of the fund types in paragraphs 2(a), (c) or (d) of this Annex and complies with the requirements in this circular;
 - (c) unlisted index funds; or
 - (d) ETFs⁹.
3. The UAE Investment Fund must not have share classes with hedging arrangements other than currency hedging.

UAE Investment Management Company

4. The UAE Investment Fund must be managed by a UAE Investment Management Company that is licensed by the SCA to manage CIS in accordance with The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (Section 3 Chapter 5 Article 10) and the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds. Alternatively the UAE Investment Fund may be a self-managed scheme.
5. The UAE Investment Management Company of a UAE Investment Fund must have paid up share capital and non-distributable capital reserves of HK\$10 million or its equivalent in Dirham or other foreign currencies.
6. The UAE Investment Management Company of a UAE Investment Fund must not

⁸ Please note that these are not legally defined categories. They have no statutory legal meaning but are merely indications. UAE Investment Funds shall need confirmation by the SCA that they fall within at least one of the eligible fund types during the application process.

⁹ In case of active ETFs, such ETFs must be non-complex investment products. The factors in determining whether an investment product is complex are set out in paragraph 6.1 of the Guidelines on Online Distribution and Advisory Platforms.

have been the subject of any major regulatory or enforcement actions taken by the SCA in the past three years or, if it has been established for less than three years, since the date of its establishment.

7. The UAE Investment Management Company of a UAE Investment Fund may delegate the investment management functions to any entity, provided that such delegation is accepted under the UAE laws and regulations¹⁰ for UAE CIS authorised for public offering. The UAE Investment Management Company remains responsible for any action of its delegate(s), and such delegate operates in one of the acceptable inspection regimes recognised under 5.1 of the UT Code¹¹.

UAE Investment Fund's depositary/custodian

8. The UAE Investment Fund must have a depositary/custodian that is qualified to act as a depositary/custodian for UAE CIS authorised for public offering.

¹⁰ The legal framework regarding the delegation of functions by a UAE management company is laid down in The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book.

¹¹ The list of acceptable inspection regimes are available at: <https://www.sfc.hk/web/EN/regulatory-functions/products/list-of-publicly-offered-investment-products/list-of-recognised-jurisdiction-schemes-and-inspection-regimes.html>



17 September 2025

Mutual Recognition of Funds (MRF) between the United Arab Emirates (UAE) and Hong Kong

1. The Securities and Futures Commission (SFC) and the Securities and Commodities Authority (SCA) signed a memorandum of understanding concerning mutual recognition of investment funds and investment management companies and related cooperation (Memorandum) on 17 September 2025 (as amended from time to time).
2. In this circular, “Hong Kong Investment Fund” refers to a Hong Kong domiciled fund that is eligible for or has received SCA authorisation under MRF, while “Hong Kong Investment Management Company” refers to a Hong Kong investment management company that is eligible to manage Hong Kong Investment Funds.

General principles

3. MRF operates on the principles that, in respect of a SFC-authorized Hong Kong Investment Fund that is seeking or has received authorisation for offering to the public in the UAE:
 - (a) the Hong Kong Investment Fund shall meet the eligibility requirements in accordance with this circular and comply with all of the applicable requirements set out in this circular;
 - (b) the Hong Kong Investment Fund shall remain authorised by the SFC and be allowed to be offered, marketed and distributed to retail investors in Hong Kong;
 - (c) the Hong Kong Investment Fund shall operate and be managed in accordance with the relevant laws and regulations in Hong Kong and its offering documents;
 - (d) the sale and distribution of the Hong Kong Investment Fund in the UAE shall comply with the applicable laws and regulations in the UAE;
 - (e) where relevant, the Hong Kong Investment Fund and the Hong Kong Investment Management Company shall comply with the additional rules released by the SCA, governing the authorisation, post-authorisation and ongoing compliance in the context of the offering, marketing and distribution of the Hong Kong Investment Fund to the public in the UAE;
 - (f) the Hong Kong Investment Management Company of the Hong Kong Investment Fund shall ensure that investors in both the UAE and Hong Kong receive fair treatment, including in respect of investor protection, exercise of rights, compensation and disclosure of information;
 - (g) ongoing disclosure of information on the Hong Kong Investment Fund shall be made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions).

4. In general, funds that are seeking or have received SCA authorisation for offering to the public in the UAE must comply with Section 3: Business Practice, Chapter Five: Practicing Financial Activity of The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (SCA Rule Book). Based on the principles set out above, if a Hong Kong Investment Fund complies with the relevant Hong Kong laws and regulations and the conditions as set out in this circular, it is generally deemed to have complied in substance with the relevant UAE laws and regulations and will enjoy a streamlined process of authorisation for offering to the public in the UAE.
5. In view of the differences between the regulatory regimes in Hong Kong and the UAE, to ensure proper investor protection and consistency with the current UAE regime for authorised retail funds, this circular sets out the additional requirements with which a Hong Kong Investment Fund must comply when applying for SCA authorisation for offering to the public in the UAE under the Memorandum, as well as other requirements which a Hong Kong Investment Management Company and a Hong Kong Investment Fund must observe after obtaining SCA authorisation. The SFC will issue a separate circular regarding the authorisation of eligible UAE funds for public offering in Hong Kong.

Eligibility requirements and types of eligible funds

6. The eligibility requirements are set out in Annex A in this circular.
7. Hong Kong Investment Funds applying for SCA authorisation must fall within at least one of the following eligible fund types:
 - (a) General equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) Feeder Funds;
 - (c) Unlisted index funds;
 - (d) Exchange Traded Funds (ETFs)¹.

The SFC and SCA may consider extending the MRF to other types of funds in future in accordance with the Memorandum.

8. The Hong Kong Investment Management Company that is seeking SCA authorisation must indicate to the SCA the fund type(s) in paragraph 7 above which the Hong Kong Investment Fund falls within.
9. All Hong Kong Investment Funds must comply with the requirements set out under the "Requirements applicable to all Hong Kong Investment Funds" section below.

¹ In case of active ETFs, such ETFs must be non-complex investment products. The factors in determining whether an investment product is complex are set out in paragraph 6.1 of the Guidelines on Online Distribution and Advisory Platforms issued by the SFC.

Requirements applicable to all Hong Kong Investment Funds

10. To ensure proper investor protection and consistency with the existing UAE regime for authorised retail funds, all Hong Kong Investment Funds are required to comply with requirements set out below.
11. Each Hong Kong Investment Fund must appoint a SCA licensed promoter firm in the UAE as its representative.

Operational and ongoing requirements

Home jurisdiction supervision

12. The Hong Kong Investment Fund must, on an ongoing basis, remain authorised by the SFC for offering to the public in Hong Kong. The Hong Kong Investment Management Company of the Hong Kong Investment Fund must also remain licensed by or registered with the SFC for Type 9 regulated activity (asset management) in accordance with Part V of the Securities and Futures Ordinance (SFO). Both the Hong Kong Investment Fund and its Hong Kong Investment Management Company must be subject to ongoing regulation and supervision by the SFC.

Changes to Hong Kong Investment Funds

13. Changes to a Hong Kong Investment Fund must be made in accordance with the applicable UAE and Hong Kong laws and regulations and the provisions of its offering documents.
14. Any proposed changes to a Hong Kong Investment Fund that require the SCA's prior approval pursuant to the definition of "Material change" or "Important change" in Resolution No. (01/Chairman) of 2023 and revisions made to its offering documents relating to such changes must be submitted by its Hong Kong Investment Management Company for approval by the SCA. These changes may take effect only upon approval by the SCA and compliance with any relevant notice requirement.
15. Any proposed changes to a Hong Kong Investment Fund that do not require the SCA's prior approval pursuant to the definition of "Changes subject to notification" in Resolution No. (01/Chairman) of 2023 and revisions made to its offering documents relating to such changes must be notified with the SCA and comply with the relevant requirements set out in Resolution No. (01/Chairman) of 2023.
16. Investors in the UAE and Hong Kong must be notified at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions) about any changes to the Hong Kong Investment Fund by the Hong Kong Investment Management Company. Equal treatment should be given to investors in both jurisdictions in terms of the form which that notice takes.
17. For avoidance of doubt, changes that render the Hong Kong Investment Fund ineligible under this MRF (for example, the fund changes strategy and no longer meets the eligible fund type definition) and revisions made to its offering documents relating to

such changes require the SCA's prior approval. The Hong Kong Investment Management Company must notify such changes to the SCA and the SFC as soon as possible.

Breach

18. In the event of a breach of Hong Kong domestic laws or the requirements set out or referred to in this circular, which is notifiable to the SFC and could affect UAE investors in a Hong Kong Investment Fund, the Hong Kong Investment Management Company must endeavour to notify the SFC and report to the SCA at the same time and rectify the breach promptly. The Hong Kong Investment Management Company will notify the SCA once the breach has been rectified.
19. Following SCA authorisation of a Hong Kong Investment Fund, if a Hong Kong Investment Fund ceases to meet the requirements set out in this circular, its Hong Kong Investment Management Company must notify the SCA immediately. The Hong Kong Investment Fund must not continue its offering to the public in the UAE or accept subscriptions from investors in UAE without the SCA's prior approval.

Withdrawal of authorisation

20. Following SCA authorisation of a Hong Kong Investment Fund, if its Hong Kong Investment Management Company no longer wishes to maintain the authorisation of the fund, it should apply for withdrawal of authorisation of the fund from the SCA and provide notice to UAE investors of its intention not to maintain such authorisation in accordance with the relevant UAE laws and regulations.
21. The SCA may at any time review its authorisation of a Hong Kong Investment Fund and may modify, add to or withdraw any of the conditions of such authorisation, or withdraw the authorisation, as it considers appropriate.

Sale/distribution, offering documents, ongoing disclosure and advertisements

Sale/distribution

22. The sale and distribution of a Hong Kong Investment Fund in the UAE must be conducted by intermediaries properly licensed by or registered with the SCA and must comply with the relevant UAE laws and regulations relating to the sale and distribution of funds. These intermediaries in the UAE are referred to as "Local Promoters". Local promoters must fulfil certain requirements as well as fulfill ongoing obligations pursuant to The Chairman of the Authority's Board of Directors' Decision No.(13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Section 3: Business Practice, Article (6) Promoting Financial Products, Second: General Obligations of the Promoter

Offering documents

23. The disclosure of information relating to a Hong Kong Investment Fund must be complete, accurate, fair, clear, and effective. It must be easily understood by investors.

24. The offering documents of a Hong Kong Investment Fund must be up-to-date and contain information necessary for investors to make informed judgement of the investment proposed to them.
25. A Hong Kong Investment Fund may use the offering documents authorised by the SFC. Unless otherwise provided for in this circular, matters such as the type of documents, content, format, frequency of update and the updating procedures must comply with the applicable Hong Kong laws and regulations and the requirements set out in its offering documents. The SFC-authorised offering document may be supplemented by a UAE covering document to comply with the disclosure requirements set out in Annex A to this circular². The UAE covering document should also disclose any other information which may have a material impact on investors in the UAE. The UAE offering documents shall not contain any information that would be inconsistent with the offering documents approved by the SFC and/or inaccurate/misleading regarding the Hong Kong Investment Fund.
26. The Hong Kong Investment Management Company of a Hong Kong Investment Fund must take reasonable steps and measures to ensure that any updated offering documents and their changes are made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions).

Ongoing disclosure

27. The Hong Kong Investment Management Company of a Hong Kong Investment Fund must take reasonable steps and measures to ensure that the ongoing disclosure of information of the Hong Kong Investment Fund (including periodic financial reports, notices and announcements) is dispatched and made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions) and, in the case of suspension of dealings, immediately notify the SCA. A Hong Kong Investment Fund must, on an ongoing basis, disclose any other information which may have a material impact on investors in the UAE.
28. A Hong Kong Investment Fund may use its Hong Kong financial reports as the basis for distribution in the UAE, provided that the reports are supplemented by the additional information and meet SCA requirements. The SCA requires financial reports to be in the English language.

Language

29. The offering documents and notices to UAE investors of a Hong Kong Investment Fund must be provided in English.

² A disclosure requirement in Annex A to this circular would be considered met if the relevant disclosure is already included in the offering document authorised by the SFC. The Hong Kong Investment Management Company does not need to duplicate the disclosure in the UAE covering document.

30. The financial reports of a Hong Kong Investment Fund must be made available to UAE investors in English. The language in which these documents are made available to UAE investors should be clearly disclosed in the offering documents.

Advertising

31. All advertisements in relation to a Hong Kong Investment Fund offered in the UAE must comply with the relevant UAE laws and regulations under Article (6), Resolution No. (01/Chairman) of 2023, which requires the SCA's prior approval for any advertisements.

Fees

32. For offering to the public in the UAE, the Hong Kong Investment Fund/ Hong Kong Investment Management Company will be subject to the applicable application fees, Registration fees and Renewal fees. The Hong Kong Investment Management Company must ensure that any SCA invoiced periodic fees in respect of the Hong Kong Investment Fund are paid.

Application process

33. The SCA understands that this marks the first time Hong Kong Investment Funds may seek authorisation from the SCA. The SCA therefore encourages applicants to consult the Investment Funds and products section early for any clarification or guidance as to how the relevant requirements may apply and be complied with in light of their specific circumstances.
34. The SCA may issue other circulars, frequently asked questions and other documents on its website from time to time to provide practical guidance to the industry. Please refer to the SCA's website for updates.
35. Applicants shall request the SFC to provide directly to the SCA a certificate from the SFC confirming that the Eligibility Requirements of a fund are met. The SCA will not take up the application if no such certificate is received from the SFC.
36. Further details of the MRF application process for a Hong Kong Investment Fund seeking SCA authorisation are available on the SCA's website.

Securities and Commodities Authority

Annex A

Requirements in the Resolution No. (01/Chairman) of 2023 as well as SCA Rule Book

| | Relevant provisions in the Regulations |
|--------------------------------|--|
| 1. General requirements | |
| SCA Disclaimer | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of Resolution No. (01/Chairman) of 2023 |
| Self-managed Funds | Article (3) General provisions of Resolution No. (01/Chairman) of 2023 |

| | |
|--|--|
| 2. Operational requirements | |
| Investment Fund documentation, pricing, issue and redemption of units/shares, fees | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of Resolution No. (01/Chairman) of 2023 |
| Valuation and pricing, pricing errors, suspension and deferral of dealings | Article (11) Administrative Services of Investment Funds, Chapter 5 Section 3: Business Practice of SCA Rule Book |

| | |
|---|---|
| 3. Disclosure requirements in relation to offering documents | |
| Language | English |
| General obligations | <p>Third: The Promoter's Obligations Relating to the Information provided to its client upon Promotion: Article 6, Chapter 5, Section 3: Business Practice of SCA Rule Book</p> <p>Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of , Resolution No. (01/Chairman) of 2023</p> |
| Product key facts statement | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of, |

| | |
|--|--|
| | Resolution No. (01/Chairman) of 2023 |
| Use of disclaimers | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of, Resolution No. (01/Chairman) of 2023 |
| Complaints handling | Paragraph 23 of the First section under Article (10) of Chapter 5 , Section 3 Business Practice of SCA Rule Book |
| Use of financial derivative instruments for investment purpose | Para graph 2 under the First sub-section under the section headed “First: Securities Investment Fund” in Appendix No. (2) Types of Investment policies of a Local Fund of Resolution No. (01/Chairman) of 2023 The SCA will accept Hong Kong Investment Funds that invest in derivatives up to the limits specified by the SFC in the Code on Unit Trusts and Mutual Funds (UT Code). |
| Information to be disclosed in the offering document | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of Resolution No. (01/Chairman) of 2023 |

| 4. Disclosure and reporting requirements | |
|--|--|
| Investment Fund changes, | Articles 1 and 21 of Resolution No. (01/Chairman) of 2023. |
| Notifications, | Articles 1, 5, 8, 13, 19, 21, 24, 27, 28, 35, 36, 38, 39, 40 and 41 of Resolution No. (01/Chairman) of 2023 |
| Ongoing disclosures, reporting, | Articles (13 - fourth 1), 15 of Resolution No. (01/Chairman) of 2023 |
| Withdrawal of authorisation | The SCA local promoter which is licensed by SCA need to submit a request to cancel the promotion of the fund. |
| Withdrawal of fund manager or board of directors of self-managed fund | Article 35 of Resolution No. (01/Chairman) of 2023 |
| Merger or termination (including share/unit consolidation and share/unit sub-division) | Articles 18,38- 41 of Resolution No. (01/Chairman) of 2023 |
| 5. Disclosure requirements in relation to financial reports | |
| Contents of financial reports | Chapter (2): Obligations and responsibilities of the local fund, Article (15) Local fund's reports of Resolution No. (01/Chairman) of 2023 |

Requirements in the Resolution No. (01/Chairman) of 2023 to be complied with by each specific type of Hong Kong Investment Funds

| | Relevant provisions in the Resolution No. (01/Chairman) of 2023 |
|--|--|
| General equity funds, bond funds, mixed funds and funds that invest in other schemes | The section headed “First :Securities Investment Fund” (the “First Section”) and the section headed “Second: Debt Instruments” (the “Second Section”) of Appendix No. (2) Types of Investment policies of a Local Fund, except for requirements in respect of investment limit in securities issued by a single issuer and exposure to the same group, cash deposits made within the same group and limitations on securities in which the fund’s related parties have interests ³ , investment in unlisted securities ⁴ , government and other public securities and investment in other schemes ⁵ , investment in debt instruments ⁶ and borrowings ⁷ |
| Unlisted index funds and Exchange traded funds (ETFs) | Appendix No. (2) Types of Investment policies of a Local Fund, except for paragraph (2) and paragraph (3) under the section headed “Fourth: Exchange Traded Fund (ETF)” in this Appendix. |

³ This refers to paragraphs 1, 4, 5, 7 and 12(c) under the Second sub-section of the First Section.

⁴ This refers to paragraph 6 of the Second sub-section of the First Section.

⁵ This refers to paragraphs 11 and 12(a) and (b) of the Second sub-section of the First Section.

⁶ This refers to paragraphs 2 and 3 of the Second Section.

⁷ This refers to paragraph 3 of the Second sub-section of the First Section and paragraph 2 of the Second Section.

Eligibility Requirements

Hong Kong Investment Fund

1. The Hong Kong Investment Fund must be established, domiciled and managed in accordance with Hong Kong laws and regulations and its constitutive documents. It must be a collective investment scheme which is authorised by the SFC in accordance with Section 104 of the SFO for offering to the public in Hong Kong. .
2. The Hong Kong Investment Fund must fall within one of the following eligible fund types.
 - (a) general equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) feeder funds, where the underlying funds must be authorised by the SFC and fall within one of the fund types in paragraphs 2(a), (c) or (d) or this Annex and complies with the requirements in this circular; or
 - (c) unlisted index funds;
 - (d) Exchange traded Funds (ETFs)⁸;
3. The Hong Kong Investment Fund must not have share classes with hedging arrangements other than currency hedging.

Hong Kong Investment Management Company

4. The Hong Kong Investment Fund must be managed by a Hong Kong Investment Management Company that is licensed by or registered with the SFC for Type 9 regulated activity (asset management) in accordance with Part V of the SFO.

⁸ In case of active ETFs, such ETFs must be non-complex investment products. The factors in determining whether an investment product is complex are set out in paragraph 6.1 of the Guidelines on Online Distribution and Advisory Platforms issued by the SFC.

5. The Hong Kong Investment Management Company of a Hong Kong Investment Fund must not have been the subject of any major regulatory or enforcement actions taken by the SFC in the past three years or, if it has been established for less than three years, since the date of its establishment.

6. The Hong Kong Investment Management Company of a Hong Kong Investment Fund may delegate the investment management functions to any entity, provided that such delegation is accepted under Hong Kong laws and regulations for Hong Kong CIS authorised for public offering. The Hong Kong Investment Management Company remains responsible for any action of its delegate(s), and such delegate operates in one of the acceptable inspection regimes recognised under the regulations.

Hong Kong Investment Fund's depositary / custodian

7. The Hong Kong Investment Fund must have a depositary / custodian that is qualified to act as a depositary / custodian for Hong Kong CIS authorised for public offering.