

## Ongoing Compliance Form for Filing of Pricing Errors

This Ongoing Compliance Form should be used for filing of pricing error(s) in relation to UCITS Scheme(s)<sup>1</sup> and MRF Scheme(s)<sup>2</sup> to the Securities and Futures Commission (the “Commission” or the “SFC”) in accordance with 10.2, 10.2A and 10.2B of the Code on Unit Trusts and Mutual Funds (“UT Code”).

Where there are no Hong Kong investors investing in the unit(s) / share class(es) of the scheme(s) which is/are affected by the pricing error during the affected period, managers are not required to inform the SFC of the pricing error.

The Management Company is reminded (a) to tick ALL boxes that are applicable in this Ongoing Compliance Form; and (b) when submitting Part B of this Ongoing Compliance Form, Part A of this Ongoing Compliance Form should not be removed but may be left blank.

To: Investment Products Division  
Securities and Futures Commission  
Attention: [name of officer (if applicable)]

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<sup>1</sup> For the purpose of this Ongoing Compliance Form, “UCITS Scheme(s)” means Undertakings for Collective Investment in Transferable Securities (“UCITS”) domiciled in France, Luxembourg, Ireland and Netherlands; and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS.

<sup>2</sup> For the purpose of this Ongoing Compliance Form, “MRF Scheme(s)” means scheme(s) domiciled in other jurisdiction(s) and authorized by the SFC under any mutual recognition of funds arrangements between Hong Kong and relevant jurisdictions outside Hong Kong published on the SFC website from time to time.



**Part A (to be completed and submitted to the SFC upon the discovery of pricing error(s))**

Dear Sirs,

We, \_\_\_\_\_ (acting on the instructions of \_\_\_\_\_ [state the name of Management Company] (please delete if the Management Company is submitting this Ongoing Compliance Form directly)) hereby report to the Commission pricing error(s) in accordance with 10.2, 10.2A and 10.2B of the UT Code in respect of the scheme(s) referred to in item 1 of this Part A below.

	<b>Details</b>
<b>General information</b>	
1. Scheme(s) affected by the error(s) ("Scheme(s)")	Name and CE ref. of the umbrella fund(s) _____ Name(s) and CE ref. of the sub-fund(s) _____ <i>(Please use separate row(s), if necessary)</i> Name(s) and CE ref. of the single fund(s) _____ <i>(Please use separate row(s), if necessary)</i>
2. Domicile of the Scheme(s)	
3. Home regulator and notification of the error(s) to the home regulator	Home regulator: _____ <input type="checkbox"/> The home regulator [(please delete as appropriate) has been / will be] notified of the error(s)  <input type="checkbox"/> It is not required to notify the home regulator under the relevant laws and regulations of the home jurisdiction
4. Depository / Trustee / Custodian of the Scheme(s)	Name of [(please delete as appropriate) the Depository / Trustee / Custodian] of the Scheme(s) _____
<b>Nature and discovery of the error(s)<sup>3</sup></b>	
5. Nature of the error(s)	<input type="checkbox"/> Overvalued <input type="checkbox"/> Undervalued

<sup>3</sup> If error(s) in respect of more than one Scheme is / are reported, please provide the required information / details in respect of each relevant Scheme.

	<b>Details</b>
6. Magnitude of the error(s) (% NAV)	
7. Duration of the error(s) ("Affected Period") <sup>4</sup> (a) Start date of the Affected Period (b) End date of the Affected Period	(a) _____ (b) _____
8. Date of discovery of the error(s)	
<b>Impact on Hong Kong investor(s) and the Scheme(s)<sup>3</sup></b>	
9. Number of Hong Kong investor(s) subscribing into or redeeming from the affected unit / share class(es) of the Scheme(s) during the Affected Period <sup>4, 5</sup>	<p>Please specify:</p> <p>(a) number of Hong Kong investors subscribing into the affected unit / share class(es) of the Scheme(s): _____</p> <p>(b) number of Hong Kong investors redeeming from the affected unit / share class(es) of the Scheme(s): _____</p> <p>To the Management Company's reasonable knowledge, (<i>please tick one of the boxes below</i>)</p> <p><input type="checkbox"/> the numbers of Hong Kong investors specified above have taken into account all SFC-authorized investment-linked assurance scheme(s) ("ILAS") that invest(s) in the Scheme(s)<sup>6</sup>. Please provide the name(s) of the ILAS / ILAS issuer(s) affected by the error(s): _____</p> <p><input type="checkbox"/> there is no SFC-authorized ILAS linked to the performance of the Scheme(s).</p>

<sup>4</sup> "Affected Period" in Part A and Part B of this Ongoing Compliance Form refers to the time period during which the NAV of the Scheme(s) is being impacted by the error(s).

<sup>5</sup> If the error(s) involve(s) both overvaluation and undervaluation, please state separately the total number of investors having subscribed into / redeemed from the affected unit / share class(es) during the period of overvaluation and undervaluation.

<sup>6</sup> If investor(s) of the Scheme(s) includes insurance company(ies) which is/are issuer(s) of SFC-authorized ILAS linked to the performance of the Scheme(s), please make sure that you include those end investor(s) who may be affected by their investment via such ILAS issuer(s) (if known). Alternatively, if the Management Company has no information concerning such end investors who may be affected by



	Details
10. Is there any monetary impact on the Scheme(s) <sup>7</sup> ?	Any monetary impact on the Scheme(s): <input type="checkbox"/> Yes <input type="checkbox"/> No

We further undertake, with respect to the error(s) reported in this Part A, that:

- a. all enquiry(ies) and/or complaint(s) from affected Hong Kong investor(s) relating to the error(s) (if any) will be properly handled in accordance with the applicable laws and regulations and constitutive documents of the Scheme(s);
- b. 10.2, 10.2A and 10.2B of the UT Code will at all times be complied with; and
- c. we will promptly notify the SFC of the final compensation arrangements and/or remedial measures<sup>8</sup> by completing and submitting Part B of this Ongoing Compliance Form.

Yours faithfully,

\_\_\_\_\_  
Name:  
Position:  
Duly authorized<sup>9</sup>

For and on behalf of  
[Name of Management Company]  
Date:

\_\_\_\_\_  
their investment via ILAS issuer(s), for the purposes of filing this form, the Management Company may regard each affected ILAS issuer as ONE Hong Kong investor in which case please indicate clearly.

<sup>7</sup> “Monetary impact on the Scheme(s)” refers to “loss(es)” to the scheme” as provided under 10.2B(c) of the UT Code.

<sup>8</sup> All references to “remedial measures” in Part A and Part B of this Ongoing Compliance Form include all forms of rectification and preventive actions and/or measures in relation to the error(s).

<sup>9</sup> The signatory is expected to be a senior-ranking executive of the Management Company (or an appropriate person designated by the senior-ranking executive of the Management Company) with overall responsibility for the reporting of the error(s) to the SFC.



**Part B (to be used to report the final compensation arrangements and/or remedial measures<sup>8</sup> in respect of the pricing error(s) reported under Part A of this Ongoing Compliance Form)**

Dear Sirs,

We, \_\_\_\_\_ (acting on the instructions of \_\_\_\_\_ [state the name of Management Company] (please delete if the Management Company is submitting this Ongoing Compliance Form directly)) refer to Part A of this Ongoing Compliance Form submitted to the SFC on [please insert the date] ("Submitted Part A Form") in accordance with 10.2, 10.2A and 10.2B of the UT Code. We hereby submit Part B of this Ongoing Compliance Form in respect of such pricing error(s).

	<b>Details</b>
<b>General information</b>	
1. Any update to the information contained in the Submitted Part A Form?	<input type="checkbox"/> No <input type="checkbox"/> Yes, revised Part A Form has been attached
<b>Further details of the error(s)<sup>3</sup></b>	
2. Reason(s) for the error(s)	<input type="checkbox"/> IT system related issues <input type="checkbox"/> Internal control and procedures related issues <input type="checkbox"/> Human error / oversight <input type="checkbox"/> Miscommunication among the parties who operate the Scheme(s) <input type="checkbox"/> Others. Please specify: _____
3. Party(ies) responsible for the error(s) ("Responsible Party(ies)")	<input type="checkbox"/> Management Company <input type="checkbox"/> Investment Delegate(s): _____ <i>[state the name(s) of Investment Delegate(s)]</i> <input type="checkbox"/> Depository / Trustee / Custodian <input type="checkbox"/> Fund Administrator: _____ <i>[state the name of Fund Administrator]</i> <input type="checkbox"/> Others. Please specify name(s) and role(s) of the party(ies): _____

	<b>Details</b>
<p>4. Party(ies) who discovered the error(s)</p>	<p><input type="checkbox"/> Management Company</p> <p><input type="checkbox"/> Investment Delegate(s): _____ <i>[state the name(s) of Investment Delegate(s)]</i></p> <p><input type="checkbox"/> Depository / Trustee / Custodian</p> <p><input type="checkbox"/> Fund Administrator: _____ <i>[state the name of Fund Administrator]</i></p> <p><input type="checkbox"/> Others. Please specify name(s) and role(s) of the party(ies): _____</p>
<b>Impact on / compensation to Hong Kong investor(s) and the Scheme(s)<sup>3</sup></b>	
<p>5. Is there any compensation to affected Hong Kong investor(s) required?</p>	<p><input type="checkbox"/> No. Please provide reason(s): _____</p> <p><input type="checkbox"/> Yes</p> <p>(a) Total amount of compensation required (in monetary terms): _____</p> <p>(b) Form of compensation (<i>please tick all applicable boxes</i>):</p> <p><input type="checkbox"/> (<i>Applicable to overvaluation</i>) allotment of extra unit(s) / share(s) of the Scheme(s).</p> <p><input type="checkbox"/> (<i>Applicable to overvaluation</i>) repayment of relevant excess portion of subscription proceeds.</p> <p><input type="checkbox"/> (<i>Applicable to undervaluation</i>) payment the difference to make up of correct redemption proceeds.</p> <p>(c) Party(ies) responsible for the compensation: _____</p> <p>(d) Compensation paid / settled?</p> <p><input type="checkbox"/> Yes. Date of payment / settlement: _____</p> <p><input type="checkbox"/> No. Expected date of payment / settlement: _____</p>

	<b>Details</b>
6. Is there any compensation to the Scheme(s) required?	<input type="checkbox"/> No. Please provide reason(s): _____  <input type="checkbox"/> Yes (a) Total amount of compensation required (in monetary terms): _____ (b) Party(ies) responsible for the compensation: _____ (c) Compensation paid? <input type="checkbox"/> Yes. Date of payment: _____ <input type="checkbox"/> No. Expected date of payment: _____
7. Bilingual notice to affected Hong Kong investor(s) regarding compensation required?	<input type="checkbox"/> Yes. Date of issuance / expected date of issuance ( <i>please delete where appropriate</i> ): _____  <input type="checkbox"/> No. No compensation is required for any Hong Kong investor(s).
8. Is / are there any enquiry(ies) or complaint(s) received from affected Hong Kong investor(s) relating to the error(s)?	<input type="checkbox"/> Yes. Please refer to item (i) in the confirmations and undertakings section of this Part B below.  <input type="checkbox"/> No
<b>Other information<sup>3</sup></b>	
9. Any remedial measures <sup>8</sup> required (other than, where applicable, the compensation and notice to affected Hong Kong investor(s) referred to in items 5 to 7 in this Part B above)?	<input type="checkbox"/> Yes. <input type="checkbox"/> No. Please provide reason(s): _____

	<b>Details</b>
10. Is / are any other SFC-authorized scheme(s) managed by the Management Company having issue(s) similar to the reason(s) identified in item [2] of this Part B above? <sup>10</sup>	<input type="checkbox"/> Yes. Please refer to items (d) and (g) in the confirmations and undertakings section of this Part B below <sup>11</sup> .  <input type="checkbox"/> No

**Confirmations and undertakings<sup>12</sup>:**

We confirm, with respect to the error(s) reported in this Ongoing Compliance Form, that:-

- a.  the home regulator of the Scheme(s) has been notified of the error(s) on [please insert the date] and does not have any comment on the error(s) and the remedial measures<sup>8</sup> (including the compensation arrangement, if required) taken to date and (to the extent any remedial measures<sup>8</sup> are yet to be taken) to be taken; and to the extent the home regulator has any comment(s), all such comment(s) have been addressed and the home regulator has not raised any further comments or concerns; or
- it is not required to notify the home regulator of the Scheme(s) of the error(s) under the relevant laws and regulations of the home jurisdiction;
- b. *(applicable to error(s) which require(s) compensation to affected Hong Kong investor(s))*
- the independent auditor of the Scheme(s) has reviewed the compensation methodology and calculation (“Independently Reviewed Compensation Methodology and Calculation”) and does not have any comment thereon; and to the extent the auditor has any comment(s), all such comment(s) have been addressed to the satisfaction of the auditor;
- the methodology and calculation of the compensation is not required to be reviewed by the independent auditor of the Scheme(s) under the relevant laws and regulations of the home jurisdiction; or
- (Applicable to UCITS Schemes domiciled in Luxembourg only)* the independent auditor of the Scheme(s) will review the compensation on an ex-post basis (e.g. in the course of its annual audit

<sup>10</sup> This question is intended to cover cases where other SFC-authorized schemes are subject to the same issue(s) which caused the error(s) reported, but the NAV of such other schemes is not impacted at all or to an extent that is reportable to the SFC pursuant to 10.2A of the UT Code.

<sup>11</sup> For the avoidance of doubt, to the extent pricing error(s) occur(s) for any such SFC-authorized scheme(s), the Management Company is required to separately inform the SFC in accordance with the requirement under 10.2A of the UT Code.

<sup>12</sup> Please notify the SFC immediately if there are any material adverse changes to the information and/or confirmations provided to the SFC in this Ongoing Compliance Form which may affect the SFC’s assessment of the matters contained herein.



of the Scheme(s)) in accordance with the relevant laws and regulations of the home jurisdiction, in order to form its opinion as to whether the methodology and calculation are appropriate and reasonable;

- c. the depositary / trustee / custodian of the Scheme(s) (i) has been notified of the error(s) on [please insert the date]; and (ii) does not have any comment on the error(s) and the remedial measures<sup>8</sup> (including the compensation arrangement, if required) taken to date and (to the extent any remedial measures<sup>8</sup> are yet to be taken) to be taken; and to the extent the depositary / trustee / custodian has any comment(s), all such comment(s) has / have been addressed to the satisfaction of the depositary / trustee / custodian;
- d. the home regulator of the Scheme(s) has not taken any actions or imposed any restrictions on the Scheme(s) or any other SFC-authorized scheme(s) as a result of the error(s) (e.g. change of / restriction on the authorisation status, request for suspension of trading, imposition of conditions, etc.);
- e. the error(s) do / does not affect the eligibility / ability of the Responsible Party(ies) to perform its / their respective current role(s) of the Scheme(s) on an ongoing basis;
- f. the error(s) has / have been properly rectified and all affected Hong Kong investor(s) has been / have been / will be compensated (if any) in such manner as notified to the home regulator (if notification to the home regulator is required) and the depositary / trustee / custodian of the Scheme(s), and in accordance with (i) the Independently Reviewed Compensation Methodology and Calculation (where applicable) and (ii) the applicable laws and regulations and constitutive documents of the Scheme(s);
- g. proper remedial measures<sup>8</sup> have been / will be put in place in such manner as notified to the home regulator (if notification to the home regulator is required) and the depositary / trustee / custodian of the Scheme(s) to prevent issue(s) arising from the reason(s) identified in item [2] of this Part B from occurring in the future in respect of the Scheme(s) and all other impacted SFC-authorized scheme(s);
- h. 10.2, 10.2A and 10.2B of the UT Code have been and will be at all times complied with;



- i. all enquiry(ies) and/or complaint(s) received from affected Hong Kong investor(s) relating to the error(s) (if any) has / have been properly handled in accordance with the applicable laws and regulations and constitutive documents of the Scheme(s); and
- j. unless otherwise specifically allowed for in this Ongoing Compliance Form, no deletion, addition or amendment has been made to standard template of the current prescribed form as published on the SFC website.

We further undertake, with respect to the error(s) reported in this Ongoing Compliance Form, that all enquiry(ies) and/or complaint(s) received from affected Hong Kong investor(s) after the date of this Part B relating to the error(s) (if any) will be properly handled in accordance with the applicable laws and regulations and constitutive documents of the Scheme(s).

Yours faithfully,

\_\_\_\_\_  
Name:  
Position:  
Duly authorized<sup>9</sup>

For and on behalf of  
[Name of Management Company]  
Date: