Frequently Asked Questions relating to Open-ended Fund Companies

This FAQ is prepared by the Investment Products Division and aims to provide basic information to market practitioners in respect of open-ended fund companies ("OFCs"), which are subject to the Securities and Futures Ordinance (the "SFO"), the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules") and the Code on Open-ended Fund Companies (the "OFC Code") (collectively, the "OFC-related Laws and Regulations").

An applicant which seeks to establish a public OFC (as defined in the OFC Code) must also comply with all applicable requirements in the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products ("SFC Products Handbook") including the Code on Unit Trusts and Mutual Funds ("UT Code") for authorization by the Securities and Futures Commission ("SFC"). A public OFC and publicly offered sub-funds of an OFC must also comply with all applicable requirements in the SFC Products Handbook after registration.

Applicants are encouraged to contact the relevant case team in the Investment Products Division of the SFC if in doubt on any specific issues arising from the application/interpretation of the relevant regulatory requirements or this FAQ. Please note that each application for registration is considered on a case-by-case basis. The information set out below is not meant to be exhaustive. This FAQ may be updated and revised from time to time. This FAQ is only for general reference. Compliance with all the requirements in this FAQ does not necessarily mean an application will be accepted or registration will be granted. The SFC reserves the rights to exercise all powers conferred under the law.

Unless otherwise defined herein, all terms shall have the meanings given to such terms in the OFC-related Laws and Regulations and the SFC Products Handbook.

Enquiries on OFC may be sent to ofc-enquiry@sfc.hk.

	Question	Answer
Requirements relating to establishment of an OFC		
1.	How do I establish an OFC?	To establish an OFC, the following must be obtained: i. registration of the OFC by the SFC; ii. Certificate of Incorporation issued by the Registrar of Companies; and iii. Business Registration Certificate issued by the Registrar of Companies on behalf of the Inland Revenue Department ("IRD"). A one-stop approach is adopted for the establishment of an OFC. The applicant would only have to submit all application documents required for (i), (ii) and (iii) above and the associated fees to the SFC. No separate submission of documents and fees in respect of (ii) and (iii) to the Companies Registry ("CR") would be required. The documents intended for submission to the CR under (ii) and (iii) should be submitted to the SFC before the registration of an OFC is granted. If the registration requirements are met, the SFC will send a notice of registration to CR together with the applicant's documents and fees for (ii) and (iii). Where the relevant requirements are met, the Registrar of Companies will issue the Certificate of Incorporation and Business Registration Certificate to the applicant. The SFC's registration of the OFC will take effect on the date of issuance of the Certificate of Incorporation, whereupon the OFC would be established. For details on the CR's requirements, you may refer to the thematic section on OFCs on CR's website. If you intend to establish a public OFC and seek authorization by the SFC, you must also comply with all applicable authorization requirements set out in the SFC Products Handbook (see the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds ("FAQs on Application For Authorization")).

	Question	Answer
2.	How do I start an application for registration?	New applicants without an e-IP Managing Company account have to contact the SFC's Investment Products Division to create an account before making an application via e-IP[1]. For further details, please refer to section 2 (Access to Corporate Administration (for e-IP)) of the User Guide: Corporate Administration (for e-IP). To start an application, you have to submit to the SFC via e-IP: i. a duly signed and completed **Application Form[2]** (also see Q.3 below in respect of a public OFC); ii. a duly signed and completed **Information Checklist[3]** (also see Q.3 below in respect of a public OFC); iii. a copy of the instrument of incorporation signed by each of the proposed directors; iv. documents (including any confirmations and/or undertakings) required to be submitted pursuant to the Information Checklist; and v. the application fee (see Q.4 below). If you intend to establish a public OFC, you should also submit the application documents for seeking the SFC's authorization (see Q.3 below). During the application process, all changes to any subsequent draft documentation must be duly marked up.

[1] Please refer to the circular entitled "Circular on launch of e-IP application/submission system on WINGS" dated 8 July 2024.
[2] In respect of a public OFC or a publicly offered sub-fund, Application Form refers to the "Application Form for Registration of a Public Open-ended Fund Company or Establishment of a Publicly Offered Sub-fund of an Open-ended Fund Company" set out in the Annex to the "Application Form for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products". In respect of a private OFC or a privately offered sub-fund of an OFC, Application Form refers to the "Application Form for Registration of a Private Open-ended Fund Company or Establishment of a Privately Offered Sub-fund of an Open-ended Fund Company".
[3] In respect of a public OFC or a publicly offered sub-fund, Information Checklist refers to the "Information Checklist for Application for Registration of a Public Open-ended Fund Company or Establishment of a Publicly Offered Sub-fund of an Open-ended Fund Company" set out in the Schedule to the "Information Checklist for Application for Authorization of Unit Trusts and Mutual Funds". In respect of a private OFC or a privately offered sub-fund of an OFC, Information Checklist refers to the "Information Checklist for Application for Registration of a Private Open-ended Fund Company or Establishment of a Privately-offered Sub-fund of an Open-ended Fund Company".

	Question	Answer
3.	Do I have to make separate applications for registration and authorization of a public OFC?	The application documents required for registration and authorization of a proposed public OFC are expected to be submitted together to the SFC at the same time. The SFC will process the registration and authorization of a public OFC in tandem. To streamline the application process, the Application Form[2] for registration of a public OFC is set out in the Annex to the "Application Form for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products". Similarly, the Information Checklist[3] for the registration of a public OFC is set out in the Schedule to the "Information Checklist for Application for Authorization of Unit Trusts and Mutual Funds".
3A.	What are the requirements for submitting documents and application fee(s) in support of a new OFC application to the SFC?	**1. Application documents required by the SFC (see Q2 above):** *A) Submission of application documents by soft copy, except for the Vetting Authorization Form from each of the proposed director who is not currently a director of other existing SFC-registered OFC(s) ("Vetting Authorization Form")* Save for the duly signed and completed Vetting Authorization Form (as set out in Annex to the Information Checklist[4]), applicants shall submit all application-related documents by soft copy via e-IP, and are only required to submit the hard copy of the original Vetting Authorization Form as soon as practicable afterwards. The official receipt date of a new OFC application shall be a business day on which the full and complete set of soft copy documents is received by the SFC via e-IP at or before 6 pm (after which the receipt date will be deemed as the following business day). *B) Signing of application documents (other than Vetting Authorization Form)* During the application process, you must complete the signing process for certain application

[4] In respect of a public OFC, the Vetting Authorization Form is set out in Annex A2 to Schedule to the "Information Checklist for Application for Authorization of Unit Trusts and Mutual Funds". In respect of a private OFC, the Vetting Authorization Form is set out in Annex B2 to the "Information Checklist for Application for Registration of a Private Open-ended Fund Company or Establishment of a Privately-offered Sub-fund of an Open-ended Fund Company".

	Question	Answer
		documents (including the application form and the applicable information checklist(s)) in e-IP. Please see section 4.1.2.5. entitled – "Completing the signing process for the Ordinary Form(s) & Checklist(s) (where applicable)" of the e-IP (Investment Products Division) User Guide for details. For other application documents not covered in the signing process in e-IP, please refer to the options below: Option 1: Save for a copy of the instrument of incorporation which must be signed by each of the proposed directors (see option 2 below), we will accept submission of un-signed copies of the relevant confirmations and other relevant documents (the "Relevant Documents"), which are required to be completed, as applicable, by an applicant, director, custodian, investment manager of the OFC or other parties, provided that the Relevant Documents shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all information and, where applicable, confirmations and undertakings contained in the Relevant Documents (and all documents submitted relating thereto) are true and accurate. Option 2: An applicant may submit scanned copies of the instrument of incorporation signed by each of the proposed directors and the Relevant Documents signed by a person who meets the signatory requirements. For the avoidance of doubt, the above two options do not apply to the Vetting Authorization Form. *C) Taking up new OFC application(s) with application fee(s) to follow* The SFC will take up new OFC applications if they are in good order and the application fee to the SFC is the only outstanding matter. An applicant is expected to submit the application fee as soon as practicable. **2. Application documents required by the CR for incorporation and business registration (see (ii) and (iii) under Q.1 above):** For the avoidance of doubt, the one-stop approach for the establishment of an OFC remains unchanged, and the arrangement to submit documents by soft copy applies only to application documents required by the SFC. Other than the instrument of incorporation signed by each of the

<table>
<tr><th></th><th>Question</th><th>Answer</th></tr>
<tr><td></td><td></td><td>proposed directors which may be submitted in scanned copies, hard copy of documents and fees required by the CR for incorporation and business registration purposes (see Q1 above) should be submitted to the SFC before the registration of an OFC is granted.</td></tr>
<tr><td>4.</td><td>What are the fees payable for establishing an OFC?</td><td>Fees payable to the SFC for registration of an OFC
i. For registration of a private OFC, the applicable fee(s) are as follows:
<table><tr><td colspan="2">Single OFC</td><td>Application for registration fee: HK$5,000</td></tr><tr><td rowspan="2">Umbrella OFC</td><td>For the umbrella</td><td>Application for registration fee: HK$10,000</td></tr><tr><td>For each sub-fund</td><td>Application fee: HK$1,250</td></tr></table>
ii. For registration of a public OFC, there will be no separate application for registration fee. Similar to other funds seeking the SFC’s authorization, a proposed public OFC is subject to the fees for (a) application for authorization and (b) authorization (see the FAQs on Application for Authorization).

The applicable fees payable are as provided in the Securities and Futures (Open-ended Fund Companies) (Fees) Regulation (Cap. 571AR) (“Fees Regulation”), subject to the SFC’s power to grant a waiver pursuant to section 6 of the Fees Regulation. Upon an application for fee waiver supported by valid reasons, the SFC may waive in whole or in part the fee(s) if, in a particular case, the SFC is of the opinion that the payment of the above fee(s) would be inappropriate or unduly burdensome.

Fees payable to the CR for incorporation and for business registration (“BR”) purposes</td></tr>
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	Question	Answer
		For (i) fees for incorporation of an OFC; and (ii) fees for a business registration certificate (which vary depending on whether it is a one-year or three-year certificate), please refer to the websites of the CR and the IRD, which set out the current amount of fees for incorporation and business registration fees respectively and updates as to any fee waivers that may be applicable from time to time. Separate payments shall be made for the fees payable to the SFC (by way of cheque(s), or other means of payment acceptable to the SFC) and to the CR (by way of cheque(s)).
5.	What is the expected processing time for registration of a public OFC and private OFC?	As the SFC will process the registration and authorization of a public OFC in tandem, the processing time for registration of a proposed public OFC is expected to be the same as that for other public funds, generally ranging between one and three months from the take-up date of the application depending on whether it is a "standard" or "non-standard" application (please refer to the FAQs on Application for Authorization). For private OFCs, where the documents are in order and the registration requirements are met, a registration would be granted as soon as practicable and is generally expected to take less than one month after the application is taken up by the SFC.
6.	Is there any template instrument of incorporation ("IoI")? Must the template be adopted by an OFC? Can revisions be made when adopting the template?	The templates of the IoI for public OFCs and private OFCs respectively are available on the SFC website. The templates set out the baseline contents of an IoI generally expected of an OFC. OFCs are free to include other provisions in their individual IoIs and make relevant variations as appropriate, provided that such additions and variations would not result in non-compliance with the OFC-related Laws and Regulations (e.g. the IoI must contain the provisions mandated under section 112K of the SFO). In the case of a public OFC, the requirements in the SFC Products Handbook must also be complied with.

	Question	Answer
6A.	Where a proposed custodian to be appointed by a private OFC is a licensed corporation or registered institution licensed or registered for Type 1 regulated activity ("RA1 Custodian"), what are the documents required for an application?	For an application of the registration of a private OFC or an application for appointment of custodian of a private OFC, the documents required to be submitted in respect of the proposed custodian are set out in the Information Checklist[5]. In addition to (i) duly completed and properly executed confirmations from the proposed custodian and the proposed directors, respectively regarding the proposed custodian's internal controls and systems (see Q22 below), and (ii) a certificate of incorporation/registration of the custodian, the applicant should submit evidence to demonstrate the proposed custodian's compliance with the eligibility requirements as set out in 7.1(b) of the OFC Code. For an RA1 Custodian, such evidence includes, for example, (1) a copy of valid certificate showing its licensing/registration status, (2) the name and CE number of the responsible officer(s) or executive officer(s) responsible for the overall management and supervision of its custodial function, (3) an updated organisational chart, and (4) where the existing systems and controls of the RA1 Custodian for the safekeeping of client assets of its RA1 business will not be used for safekeeping of the scheme property of the OFC, a custody operational flowchart together with the reason(s) for not using such existing systems and controls for safekeeping of the scheme property of the OFC. In respect of (3), the organisational chart is expected to include the RA1 Custodian's organisational structure in performance of its custodial functions[6]. This should cover, at a minimum, the name of responsible officer(s) or executive officer(s) mentioned in (2) above, the relevant reporting line, any manager-in-charge and teams or units involved in performing custodial functions. It is expected that clear references to and descriptions of custodial functions should be made on the chart. For example, if custodial functions are subsumed within other business units/functions of the RA1 Custodian, then this should be indicated on the chart.

[5] For an application for registration of a private OFC, please refer to section E of the Information Checklist for Application for Registration of a Private Open-ended Fund Company or Establishment of a Privately offered Sub-fund of an Open-ended Fund Company. For an application for appointment of custodian of a private OFC post-registration, please refer to section E.II of the Information Checklist for Application for Approval of Appointment of Director, Custodian or Investment Manager of a Private Open-ended Fund Company. The OFC and/or the custodian should provide other supporting documents which the SFC may deem necessary.

[6] Applicants are encouraged to consult the SFC in relation to the organisational chart in advance of the application.

	Question	Answer
		In respect of (4), the custody operational flowchart of the RA1 Custodian is expected to demonstrate its operations in safekeeping the scheme property of the OFC in compliance with the requirements as set out in the OFC Code. This should cover, at a minimum, holding in custody all scheme property of the OFC entrusted to the RA1 custodian which can be so held with proper segregation, maintaining proper and up-to-date record of all scheme property of the OFC that it receives or holds on behalf of the OFC and others that cannot be held in custody with frequent reconciliations and verification of ownership of scheme property of the OFC. Please refer to 7.3 and Appendix A of the OFC Code for details on such requirements. For the avoidance of doubt, registered institutions registered for Type 1 regulated activity that are eligible as private OFC custodians under 7.1(b)(i) of the OFC Code (i.e. proposed custodians which meet the same eligibility requirements as set out in the UT Code for SFC-authorized funds) are not required to submit the abovementioned documents required for RA1 Custodians.
Requirements in relation to post-registration changes to an OFC		
7.	How do I apply for an addition of a new sub-fund to an existing umbrella fund?	To start an application, you have to submit to the SFC via e-IP: i. a duly signed and completed **Application Form**[2]; ii. a duly signed and completed **Information Checklist**[3]; iii. documents (including any confirmations and/or undertakings) required to be submitted pursuant to the Information Checklist; and iv. the application fee (see Q.4 above). During the application process, all changes to any subsequent draft documentation must be duly marked up. The application documents required for the applications for establishment and authorization of a new publicly offered sub-fund are expected to be submitted together to the SFC at the same time. The SFC will process the establishment and authorization of a new publicly offered sub-fund in tandem.

	Question	Answer
7A.	What are the requirements for submitting documents and application fee(s) in support of an application for addition of sub-fund(s) to an existing umbrella OFC to the SFC?	*A) Submission of application documents by soft copy* Applicants shall submit all application-related documents by soft copy via e-IP. The official receipt date of a sub-fund application shall be a business day on which the full and complete set of soft copy documents is received by the SFC via e-IP at or before 6 pm (after which the receipt date will be deemed as the following business day). *B) Signing of application documents* During the application process, you must complete the signing process for certain application documents (including the application form and the applicable information checklist(s)) in e-IP, please refer to section 4.1.2.5. entitled – "Completing the signing process for the Ordinary Form(s) & Checklist(s) (where applicable)" of the e-IP (Investment Products Division) User Guide. For other application documents which are not covered in the signing process in e-IP, please refer to the options below: Option 1: We will accept submission of un-signed copies of the relevant confirmations and other relevant documents (the "Relevant Documents"), which are required to be completed, as applicable, by an applicant, director, custodian, investment manager of the OFC or other parties, provided that the Relevant Documents shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all information and, where applicable, confirmations and undertakings contained in the Relevant Documents (and all documents submitted relating thereto) are true and accurate. Option 2: An applicant may submit scanned copies of the Relevant Documents signed by a person who meets the signatory requirements. *C) Taking up new sub-fund application(s) with application fee(s) to follow* The SFC will take up new sub-fund applications if they are in good order and the application fee

	Question	Answer
		to the SFC is the only outstanding matter. An applicant is expected to submit the application fee as soon as practicable.
8.	What are the changes to a SFC-registered OFC that requires the SFC's approval? What are the documents and fees that should be submitted?	The following changes to an OFC are subject to the SFC's approval: i. Appointment of a director, custodian or investment manager[7] ii. Change of name of an OFC or sub-fund of an OFC iii. Establishment of a new sub-fund under an OFC (see Q.7 above) iv. Termination of an OFC or a sub-fund and cancellation of registration of an OFC (see Q.14 below) A duly signed and completed application form and the relevant information checklist (also see Q.9-Q.11 below) together with the applicable fee (see Q.12 below) should be submitted to the SFC via e-IP.

[7] An appointment of a custodian or investment manager of a sub-fund of an OFC would also be regarded as an appointment of the custodian or investment manager of the OFC requiring the SFC's approval.

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<tr><th></th><th>Question</th><th>Answer</th></tr>
<tr><td>9.</td><td>What documents should be submitted to the SFC for a change of key operators of a public OFC?</td><td>For a change of key operators of a public OFC[8], the documents required are as follows:
<table>
<tr><th></th><th>Change of Director</th><th>Change of Custodian or Investment Manager</th></tr>
<tr><td>Appointment</td><td colspan="2">“Application Form for Approval of Appointment of Director, Custodian or Investment Manager of an Open-ended Fund Company”</td></tr>
<tr><td></td><td>(a) Duly signed and completed “Information Checklist for (i) a Change of Director of a Public Open-ended Fund Company; or (ii) a Change of Name of a Public Open-ended Fund Company or a Publicly Offered Sub-fund of an Open-ended Fund Company” (“Public OFC Director/ Name Change Information Checklist”); and

(b) the notice to shareholders relating to the change (if any) after issuance.

(Note: no “Filing Form for Notice of Scheme Change(s) falling within 11.1B of the Code on Unit Trusts and Mutual Funds (UT Code) and Do Not Require SFC’s Prior Approval”</td><td>Only the following existing documents applicable to SFC-authorized funds for a 11.1 scheme change under the UT Code are required to be submitted:

(a) Duly signed and completed “Application Form for Scheme Change(s)”; and

(b) “List of Confirmations of Compliance related to Application for Approval of Scheme Change(s) pursuant to 11.1 of the Code on Unit Trusts and Mutual Funds (UT Code)”, including the confirmation required in relation to an OFC in the Annex

((a) and (b) are collectively referred to as the “11.1 Scheme Change Documents”).</td></tr>
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[8] If a revision of document (“ROD”) is involved in connection with the change for the public OFC, please be reminded to submit the relevant forms for ROD applicable to SFC-authorized funds.

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<tr><td></td><td>(“11.1B Filing Form”) needs to be filed for any notice issued for such change where it falls within 11.1B of the UT Code.) (“Note on 11.1B Filing”)</td><td></td></tr>
<tr><td>Cessation and other changes (if applicable)</td><td>For a cessation of directorship, the following documents are required to be submitted:

(a) the above Public OFC Director/ Name Change Information Checklist (please also refer to the Note on 11.1B Filing above); and

(b) notice to SFC of a resolution to remove a director.</td><td>The 11.1 Scheme Change Documents above[9].</td></tr>
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</td></tr>
<tr><td>10.</td><td>What documents should be submitted to the SFC for a change of name of a public OFC or its sub-fund(s)?</td><td>In respect of a change of name of a public OFC or its sub-fund, the following documents should be submitted to the SFC via e-IP:

i. a duly signed and completed “Application Form for Approval of Change of Name of an Open-ended Fund Company or Sub-fund of an Open-ended Fund Company”;
ii. a duly signed and completed Public OFC Director/ Name Change Information Checklist; and
iii. the notice to shareholders relating to the change (if any) after issuance.

(Note: no 11.1B Filing Form is required, please refer to the Note on 11.1B Filing.)</td></tr>
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[9] These apply to changes which fall under 11.1 of the UT Code such as cessation of office, change of their regulatory status and change of investment delegate.

	Question	Answer
11.	What documents should be submitted to the SFC for a change of key operators of a private OFC or change of name of such OFC or its sub-funds?	For a change of name, a duly signed and completed "Application Form for Approval of Change of Name of an Open-ended Fund Company or Sub-fund of an Open-ended Fund Company" should be submitted to the SFC via e-IP. For an appointment of director, custodian or investment manager, the following documents should be submitted via e-IP: - a duly signed and completed "Application Form for Approval of Appointment of Director, Custodian or Investment Manager of an Open-ended Fund Company"; and - a duly signed and completed "Information Checklist for Application for Approval of Appointment of Director, Custodian or Investment Manager of a Private Open-ended Fund Company". An OFC should also notify the SFC of a (i) resolution to remove a director; and (ii) cessation of investment manager or custodian of the OFC[10].
12.	What are the fees payable for a change which requires approval from SFC to an OFC?	For a public OFC and publicly offered sub-fund, no separate fee is payable for post-establishment changes seeking SFC's approval. An annual fee is applicable to a public OFC as an SFC-authorized fund as in the case of other SFC-authorized funds (you may refer to the FAQs on Application for Authorization for further information). For a private OFC, a fee of HK$300 is payable for an application for (i) an approval of appointment of director, custodian or investment manager, (ii) an approval of a change of name, or (iii) a cancellation of registration. A fee of HK$300 is also payable for the termination or change of name of a sub-fund of a private OFC.

[10] Such notification should also be made to the SFC where there is a cessation of a custodian or investment manager of a sub-fund of an OFC.

	Question	Answer
13.	What are the documents that need to be filed with the SFC for both public and private OFCs post-registration?	Filings with the SFC should be made in accordance with the OFC-related Laws and Regulations, including for example: • Annual report • Interim report (if any) • Offering documents • Alteration of instrument of incorporation • Statement of circumstances issued by auditor or custodian • Documents in relation to change of key operators and change of name as mentioned in these FAQs. A public OFC should also comply with relevant requirements applicable to SFC-authorized funds including those under the SFC Products Handbook.
14.	How may I apply for a termination of an OFC or sub-funds of an OFC with the SFC?	To make an application for termination of an OFC or sub-fund of an OFC, the following requirements should be met: i. the requirements under Chapter 10 of the OFC Code should be complied with; ii. a duly signed and completed "Application Form for Cancellation of Registration of an Open-ended Fund Company or Termination of a Sub-fund of an Open-ended Fund Company" should be submitted via e-IP; and iii. (a) *(for a private OFC)* a duly completed "Information Checklist for Termination of a Private OFC or Privately Offered Sub-fund under Chapter 10 of the Code on Open-ended Fund Companies" should be submitted via e-IP; or (b) *(for a public OFC)* the applicable requirements under the SFC Products Handbook should be complied with, and a duly completed "On-Going Compliance Form For Notice of Mergers/Restructuring/Termination/Withdrawal of Authorization" should be submitted via e-IP.
15.	If I submit documents required by the CR to the SFC, how do I ensure the relevant deadlines for	Under the one-stop approach, documents are treated as being delivered to the CR at the time when they are delivered to the SFC. The applicant should ensure that the relevant documents required by the CR are delivered to the SFC prior to the relevant deadline in the OFC-related

	Question	Answer
	filings prescribed by CR have been met?	Laws and Regulations.
16.	Which are the post-registration filing forms required by the CR? Which ones need to be submitted via the SFC?	The CR's specified forms in relation to OFCs can be downloaded from the CR's website at www.cr.gov.hk/en/ofc. As a change of name and appointment of director of an OFC require the SFC's approval, the following CR forms should be submitted via the SFC: • OFCNC2(SFC) – Notice of Change of Company Name • OFCD1(SFC) – Notice of Appointment of Director All other filing forms with the CR should be submitted to CR directly.
16A.	What are the requirements for submitting post-registration documents to the SFC?	Set out below are the requirements for submitting documents to the SFC in connection with post-registration matters of SFC-registered OFCs. **1. Documents required by the SFC** *A) Submission of documents by soft copy, except for Vetting Authorization Form (where applicable)* Save for the Vetting Authorization Form[11] in the case of application for appointment of a director who is not currently a director of other SFC-registered OFC(s), OFCs shall submit documents by soft copy for all applications and post-filings via e-IP, and are only required to submit the hard copy of the original Vetting Authorization Form, where applicable, as soon as practicable

[11] In respect of a public OFC, the Vetting Authorization Form is set out in Annex A2 to the "Information Checklist for (i) a Change of Director of a Public Open-ended Fund Company; or (ii) a Change of Name of a Public Open-ended Fund Company or a Publicly Offered Sub-fund of an Open-ended Fund Company". In respect of a private OFC, the Vetting Authorization Form is set out in Annex A2 to the "Information Checklist for Application for Approval of Appointment of Director, Custodian or Investment Manager of a Private Open-ended Fund Company".

	Question	Answer
		afterwards. The official receipt date of an application or a post-filing shall be a business day on which the full and complete set of soft copy documents is received by the SFC via e-IP. *B) Signing of post-registration documents (other than Vetting Authorization Form)* During the submission process, you must complete the signing process for certain post-registration documents (including the application form(s) and the applicable information checklist(s)) in e-IP. Please refer to section 4.1.2.5. entitled – "Completing the signing process for the Ordinary Form(s) & Checklist(s) (where applicable)" of the e-IP (Investment Products Division) User Guide for details. For other post-registration documents not covered in the signing process in e-IP, please refer to the options below: Option 1: We will accept submission of un-signed copies of the relevant confirmations and other relevant documents (the "Relevant Documents"), which are required to be completed, as applicable, by an OFC, director, custodian, investment manager of the OFC or other parties, provided that the Relevant Documents shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all information and, where applicable, confirmations and undertakings contained in the Relevant Documents (and all documents submitted relating thereto) are true and accurate. Option 2: An OFC may submit scanned copies of the Relevant Documents signed by a person who meets the signatory requirements. For the avoidance of doubt, the above two options do not apply to the Vetting Authorization Form. *C) Processing of application(s) with application fee(s) to follow (for changes of a SFC-registered private OFC which are subject to SFC's approval only)* In respect of applications for changes of a SFC-registered private OFC which are subject to SFC's approval (see Q.8 above except for the establishment of a new sub-fund under an OFC (see Q.7A)), the SFC will start processing the applications if the application fee to the SFC (see

	Question	Answer
		Q. 12 above) is the only outstanding matter. An applicant is expected to submit the application fee as soon as practicable. **2. Application documents required by the CR** For the avoidance of doubt, the one-stop approach for a change of name and appointment of director of an OFC (see Q16 above) remains unchanged, and the arrangement to submit documents by soft copy applies only to documents required by the SFC. Hard copy of documents and fees (if applicable) required by the CR should be submitted via the SFC.
General		
17.	Will my application lapse after a certain period of time?	An application will lapse if (a) in the case of an application for registration of an OFC or approval of establishment of a sub-fund of a SFC-registered OFC, six months have elapsed after the application has been taken up and no registration/ approval has been granted; or (b) in the case of an application for approval of change of name or appointment key operator(s) of an OFC, no approval is granted within the applicable processing time period as indicated in the first requisition issued by the SFC (if issued). The SFC will issue a letter of mindedness to remind and inform the applicant of the lapse of the application prior to the date. In the case of an application of registration of a private OFC or approval of establishment of a privately offered sub-fund, such reminder will be issued after 4 months have elapsed from the take-up date of the application. As the applications for registration and authorization for a public OFC or public sub-fund will be processed in tandem and the processing timeline for the two applications will be attuned, please refer to the FAQs on Application for Authorization for information on the lapse of an application. Once an application has lapsed or has been refused, if the applicant wishes to make an application for the same matter, it would have to make a fresh application.
18.	Can a private OFC be converted into a public OFC and vice versa?	A private OFC may seek the SFC's authorization to become a public OFC. To apply for an authorization, it must comply with the authorization requirements set out in the SFC Products Handbook. You may refer to the FAQs on Application for Authorization and other relevant

	Question	Answer
		materials on the SFC website for information on application for authorization, including the Application Form and Information Checklist as well as the applicable fees. A public OFC may become a private OFC by applying to the SFC for a withdrawal of authorization and complying with the relevant requirements applicable to private OFCs under the OFC Code. An application should be made for such conversion by submitting the relevant documents to evidence compliance with the applicable requirements. Further, you may refer to the SFC Products Handbook for the requirements on withdrawal of authorization and other relevant materials on the SFC website including the Frequently Asked Questions on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds and Frequently Asked Questions on Revamped Post Authorization Process of SFC-authorized Unit Trusts and Mutual Funds. Applicants should consult the Investment Products Division of the SFC at the earliest opportunity should they wish to proceed with any such conversion.
19.	Can public OFCs be exchange-traded funds ("ETFs")?	Yes, where the public OFC meets the relevant requirements under the SFC Products Handbook with regards to ETFs.
19A.	Can OFCs be tokenised?	Yes. Tokenisation of investment products generally refers to the creation of blockchain-based tokens that represent or aim to represent ownership in an investment product. The tokenised product can then be recorded digitally on the blockchain. Investment managers seeking to tokenise the OFCs they manage should take note of the relevant guidance and requirements set out in the Circular on intermediaries engaging in tokenised securities-related activities and the OFC Code. Similar to other SFC-authorized investment products, investment managers of public OFCs seeking to tokenise the OFCs they manage should also refer to the requirements under the Circular on tokenisation of SFC-authorised investment products. Applicants or parties who are interested in tokenising an OFC should discuss or consult with the

	Question	Answer
		SFC at ofc-enquiry@sfc.hk in advance.
20.	Are OFCs qualified for the mutual fund recognition ("MRF") arrangements entered into by the SFC?	SFC-authorized funds structured in the form of OFCs are eligible under the scope of the MRF arrangements entered into by the SFC with the Swiss Financial Market Supervisory Authority, the Autorité des Marchés Financiers of France, the Financial Conduct Authority of the United Kingdom, the Commission de Surveillance du Secteur Financier of Luxembourg, the Dutch Authority for the Financial Markets of the Netherlands, the Securities and Exchange Commission of Thailand, the Central Bank of Ireland, the Capital Market Authority of the United Arab Emirates and the Securities Commission Malaysia respectively[12]. Discussions are underway with other relevant overseas regulators with a view to seeking the inclusion of OFCs in the MRF arrangements. Further updates will be made where there are relevant developments.
21.	Can the OFC structure be used for setting up closed-ended funds?	"Closed-ended" fund is not a legally defined term and generally refers to funds which are subject to redemption restrictions pursuant to which shares or units usually cannot be redeemed at the holders' discretion. An OFC is a corporate fund vehicle with a variable capital and it is not precluded from imposing redemption restrictions. In line with the General Principles in the OFC Code, where an OFC imposes redemption restrictions, such restrictions should be clearly disclosed in the OFC's offering documents.

[12] To qualify, the OFC should meet the requirements under the relevant MRF arrangement. With regard to the MRF arrangement with (i) Switzerland, please refer to the SFC's press release on 2 December 2016 available at: https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=16PR132; (ii) France, the SFC's press release on 10 July 2017 available at: https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=17PR95; (iii) the United Kingdom, the SFC's press release on 8 October 2018 available at: https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=18PR116; (iv) Luxembourg, the SFC's press release on 15 January 2019 available at: https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=19PR3; (v) the Netherlands, the SFC's press release on 15 May 2019 available at: https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=19PR38; (vi) Thailand, the SFC's press release on 20 January 2021 available at: https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=21PR7; (vii) Ireland, the SFC's press release on 14 May 2025 available at: https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=25PR64; (viii) the United Arab Emirates, the SFC's press release on 18 September 2025 available at: https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=25PR149; and (ix) Malaysia, the SFC's press release on 23 July 2026 available at: https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=26PR111.

	Question	Answer
Requirements relating to financial reports		
21A.	May an OFC be exempted from the requirement to prepare and publish an annual report?	Pursuant to rule 151 of the OFC Rules, on application by an OFC, the SFC may, if it considers appropriate in the circumstances, exempt the directors of an OFC from the requirement to prepare an annual report for a financial year and the OFC from the requirement to publish the annual report and provide a copy to any shareholder ("AR exemption"). In this connection, it is generally expected that for an application seeking an AR exemption, the OFC should meet the following conditions ("Conditions"): i. the relevant OFC has not been launched; and ii. the relevant OFC has no investor. An OFC is generally not considered to have been launched if it has not received any subscription proceeds for investments. For the avoidance of doubt, management shares may be issued by an OFC which does not provide the holder(s) with any right to the income or profits of the OFC concerned but only a return of capital upon winding-up. In making an application to the SFC, the directors of the OFC should provide a certification that the above Conditions concerning the OFC are fulfilled, and the SFC may request other supporting documents if necessary. Notwithstanding the grant of an AR exemption, the OFC and its directors should continue to comply with the applicable provisions in the OFC Rules and OFC Code, including the obligation to maintain proper books and records of the OFC and its sub-fund(s) pursuant to rule 157 of the OFC Rules and make such documents available for inspection upon request.

	Question	Answer
		The AR exemption, if granted by the SFC, will lapse when the OFC concerned no longer meets one or more of the above Conditions, in which case the OFC should notify the SFC in writing immediately. The first financial year of an OFC should commence from the date of incorporation according to rules 148 and 149 of the OFC Rules. Thus, after the OFC concerned has been launched, its first annual report should cover the period commencing from the incorporation of the OFC to the end of the relevant financial year. OFCs are encouraged to contact relevant case officers to consult the SFC in advance should they wish to apply for such exemption and waiver.
21AB.	Does a sub-fund of an OFC have to apply for a waiver from disclosure of its financial position and results in the annual report of an umbrella OFC where the sub-fund is not yet launched?	No. Directors of an umbrella OFC may determine if the start date of a sub-fund's first financial period should fall on the date of its establishment or its date of launch as they deem appropriate. Accordingly, where a sub-fund is not launched upon establishment and if the directors determine to use the sub-fund's launch date as the start date of the first financial period, the financial position and results of that sub-fund can be disclosed in the annual report after it has been launched, and thus no waiver is required. A sub-fund is generally not considered to have been launched if it has not received any subscription proceeds for investments and has no investor since its establishment date or the date of re-domiciliation (in the case of an existing sub-fund of a re-domiciled OFC).
21B.	Can a private OFC apply for an extension of time for the publication and filing of its annual report?	Pursuant to 9.8 of the OFC Code, an annual report of an OFC must be published within four months of the end of the OFC's financial year ("AR Publication Period"). 9.9 of the OFC Code further provides that all financial reports published by the OFC must be filed with the SFC within the time frame specified in 9.8 of the OFC Code ("AR Filing Period"). The SFC may modify or relax the application of a requirement in the OFC Code if it considers that, in particular circumstances, strict application of the requirement would operate in an unduly burdensome or unnecessarily restrictive manner.

	Question	Answer
		Any application from a private OFC seeking a waiver from the AR Publication Period and/or AR Filing Period must be supported by detailed reasons why the waiver is sought. Generally, the SFC may consider granting a waiver where strict application of the requirement would be unduly burdensome or unnecessarily restrictive, including for example, where a private OFC involves a fund-of-funds structure and there is a difference in the financial accounts publication period between the underlying investment fund and that of the OFC, or where other substantive difficulty in meeting the requirement is otherwise demonstrated. OFCs are encouraged to contact the relevant case officers for consultation in advance should they wish to apply for such waiver.
Requirements relating to OFC custodians		
22.	Where a proposed custodian to be appointed by a private OFC is not an existing trustee/ custodian of SFC-authorized funds (other than a custodian that is licensed or registered by the SFC to carry out Type 13 regulated activity) ("Non-UT Custodian"), what are the requirements with regards to the custodian's internal controls and systems to demonstrate compliance with the OFC Code?	Under the SFO, the OFC custodian must take reasonable care, skill and diligence to ensure the safekeeping of the scheme property of the OFC that is entrusted to it. The OFC Code also sets out the specific duties of OFC custodians. Accordingly, custodians of OFCs, including private OFCs, are expected to put in place adequate internal controls and systems to meet its duties under the applicable laws and regulations. Under the OFC Rules, the appointment of a custodian by an OFC is subject to the SFC's approval. In this connection, where the private OFC appoints a Non-UT Custodian whose functions are mainly carried out in Hong Kong and/or in a non-acceptable inspection regime, the private OFC custodian should submit its internal controls report ("Custodian Report")[13] to the OFC proposing to appoint it. The Custodian Report should cover, at a minimum, the following aspects:

[13] Where the entity to be appointed is an existing custodian of another SFC-registered OFC, no separate Custodian Report is mandated to be prepared, but the OFC newly making the appointment should review the adequacy of the Custodian Report and ensure that the custodian's internal controls and systems are commensurate with the nature, scale and complexity of the private OFC concerned.

	Question	Answer
	Are there requirements for ongoing demonstration of compliance?	(a) Maintenance of a control environment; (b) Compliance with applicable legal and regulatory requirements; (c) Appointment and oversight on third parties; and (d) Custody and safeguarding of scheme property. Where a private OFC appoints a Non-UT Custodian whose functions are (a) mainly carried out in an acceptable inspection regime ("AIR") which meets the requisite requirements[14]; or (b) carried out by the head/branch office(s) of a banking institution in an AIR whereby a separate arm/office of the banking institution is currently acting as trustee/custodian for SFC-authorized funds, in view that the custodian in these jurisdictions are already subject to applicable requirements and the oversight of regulators in the relevant jurisdictions, a Custodian Report is not required. The OFC's board of directors should note their general duty under the OFC Code to use reasonable care, skill and diligence to oversee the activities of the custodian as part of their overall duty to oversee the operations of the OFC. The board should ensure that it is satisfied (i) that the custodian has sufficient experience, expertise and competence in safekeeping the asset types in which the OFC may invest; and (ii) with the adequacy of a custodian's internal systems and controls before appointing the custodian accordingly (including a review of the Custodian Report where applicable). The directors should also review and consider adequacy of the custodian's internal systems and controls on a continuing basis having regard to the nature, scale and complexity of the OFC and the custodial risks specific to the type and nature of assets in which the OFC may invest and any relevant changes to the OFC from time to time. For the avoidance of doubt, custodians of public OFCs must comply with the SFC Products Handbook's requirements on custodians' internal controls and systems. Please refer to the Information Checklists[15] for more detailed guidance. Applicants are welcome to consult the SFC to seek further guidance if in doubt.

[14] These refer to custodians whose functions are mainly carried out in AIRs and with the primary supervisory authority being one of those with whom the SFC has co-operation agreements. The list of AIRs is 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.

[15] Relevant guidance is set out in the Information Checklist for Application for Registration of a Private Open-ended Fund Company or Establishment of a Privately offered Sub-fund of an Open-ended Fund Company (applicable to applications for the establishment of private OFCs) and the Information Checklist for Application for Approval of

	Question	Answer
23.	Can multiple custodians be appointed for an OFC? Where multiple custodians are appointed, what would be the rights and liabilities of each custodian?	Section 112ZA(2) of the SFO requires that all the scheme property of an OFC must be entrusted to a custodian of the OFC for safekeeping. This does not preclude the appointment of multiple custodians (including by the appointment of a different custodian for each sub-fund). In any case, the OFC must ensure that no scheme property should be left without custody. It is noted that applications for registration of a private OFC and/or its sub-funds may include a proposed appointment of multiple custodians from time to time. Please be reminded that where multiple custodians are to be appointed, the instrument of incorporation and/or custodian agreement of the OFC should include provisions achieving the following: (i) ensure that all scheme property must be duly entrusted to the custodian(s) of the OFC; (ii) demarcate the rights and liabilities of each custodian clearly as to the respective scheme property that each custodian is entrusted with and responsible for; and (iii) provide for a default mechanism to place into custody any scheme property potentially arising at the umbrella-level OFC (such as any assets which may be attributed to the umbrella due to accounting treatment, or otherwise arising) to a specified custodian of the OFC. Please be reminded that pursuant to Section 112ZA(4) of the SFO, each custodian appointed by an OFC is subject to the duty to take reasonable care, skill and diligence to ensure the safe keeping of the scheme property of the OFC that is entrusted to it. In addition, custodians of an OFC should observe the custody requirements in the OFC Code. For example, each custodian must ensure that it has sufficient experience, expertise and competence in safekeeping the asset types in which the OFC invests; and maintain adequate internal controls and systems commensurate with the custodial risks specific to the type and nature of assets in which the OFC invests. The appointment of each custodian of an OFC is subject to the SFC's approval.

Appointment of Director, Custodian or Investment Manager of a Private Open-ended Fund Company (applicable to appointment of custodian for a private OFC post-establishment) respectively. The OFC and/or the custodian should provide other supporting documents which the SFC may deem necessary.

	Question	Answer
		Applicants are welcome to contact the relevant case officers to seek further guidance from the SFC if in doubt, especially where a public OFC would like to appoint multiple custodians.
24.	According to Appendix A of the OFC Code, Hong Kong Scheme Money must be paid into the segregated bank account established under paragraph 2(a) of Appendix A within one business day. How does this requirement apply to subscription money?	Subscription money received and held pending the allotment of shares in the relevant private OFC is not the property of the private OFC until the subscription for shares in the relevant private OFC is accepted. Where the custodian of a private OFC receives subscription money on behalf of the OFC before the relevant subscriptions are accepted, the custodian should keep the subscription money in a separate designated collection account pending the allotment of the shares in the relevant OFC. Upon acceptance of the subscription for shares in the private OFC, the custodian should pay the relevant amount into the segregated bank account established pursuant to Appendix A of the OFC Code within one business day. Records of subscription money should be kept separately.
24A.	For an SFC-licensed corporation or registered institution acting as a custodian of a private OFC ("Private OFC Custodian"), what should it take note of from an anti-money laundering and counter-financing of terrorism perspective when making payments to or	These Private OFC Custodians may from time to time handle Third Party Payments/ Receipts on behalf of the OFC, such as paying redemption monies to investors or expenses to service providers of an OFC. In accordance with the requirements for safekeeping of OFC scheme property set out in Appendix A to the OFC Code, a Private OFC Custodian conducting Third Party Payments/ Receipts should comply with the applicable provisions of, among others, the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations and SFC-

	Question	Answer
	receiving money from third parties on behalf of the OFC ("Third Party Payments/ Receipts")?	licensed Virtual Asset Service Providers) ("AML Guideline"). This would include the provisions under Chapter 11 of the AML Guideline regarding, for example, the monitoring systems and controls for identifying transactions involving third-party deposits, the due diligence process for assessing third-party deposits and payments, and the process for granting the standing approval for accepting deposits or payments from or to a particular third party after assessing the third-party arrangement's risks and reasonableness. Where the Private OFC Custodian has been unable to satisfy itself during the due diligence process that a Third Party Payment/ Receipt is reasonable and therefore considers it suspicious, it should make a suspicious transaction report to the Joint Financial Intelligence Unit. It is important to note that all scheme property of an OFC must be entrusted to its custodian for safekeeping under section 112ZA of the SFO and OFC custodians must observe all applicable obligations under Chapter 7 of the OFC Code. Accordingly, monies which form part of an OFC's scheme property must be entrusted to the custodian and OFC custodians must maintain a segregated client bank account for safekeeping of such monies.
25.	Paragraph 7 of Appendix A to the OFC Code requires a private OFC custodian to keep various records, including "accounting" records. Could the SFC provide examples of records that should be kept?	Under the OFC Code, a private OFC custodian is required to maintain proper and up-to-date records of all scheme property of the OFC that it receives or holds on behalf of the OFC and others that cannot be held in custody. For example, the records should enable all movements of the scheme property to be traced through the private OFC custodian's systems with frequent reconciliations. Records should also be kept which are sufficient to show particulars of the liabilities, including any financial commitments and contingent liabilities of a private OFC. This would likely include but is not limited to the keeping of records of items such as holdings, transaction settlement status, corporate actions, cash balances, accrued fees, receivables, payables, etc, to facilitate the private OFC custodian in reconciling the existence of scheme property mentioned in para 7(a) of the Appendix A to the OFC Code.

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