



Launch of Fund Authorisation Simple Track (FASTrack)

25 October 2024

Investment Products Division (IP)

Key dates

Announcement of the launch : 21 October 2024

Effective date : 4 November 2024

Pilot period : 6 months ending 4 May 2025

Overview of SFC authorisation for public funds in Hong Kong

- Issuers must obtain the SFC's authorisation of investment funds before offering them to retail investors in Hong Kong.
- The SFC adopts an open architecture for authorising funds from outside Hong Kong, while stressing the protection of investors' interest.
- It also strives to process applications in an efficient, transparent and consistent manner.

Funds from MRF Jurisdictions

- The SFC has entered into mutual recognition of funds arrangements with a number of jurisdictions (MRF Jurisdictions).
- The regulatory regimes of the MRF Jurisdictions offer comparable investor protection to that of Hong Kong.
- For funds domiciled and regulated in an MRF Jurisdiction, the SFC adopts a streamlined vetting approach to enable their public offering in Hong Kong:
 - **FASTrack**: simple funds
 - **Standard and Non-Standard Applications**: all other funds

List of MRF Jurisdictions

- | | | | | |
|---------------|---------------|-----------------|------------|------------------|
| • Australia | • France | • Luxembourg | • Mainland | • Malaysia |
| • Netherlands | • Switzerland | • Taiwan, China | • Thailand | • United Kingdom |

- The SFC generally grants authorisation for standard and non-standard applications in 1-2 months and 2-3 months on average, respectively, from the take-up date of the application.

FASTrack

Key benefits



Shorter time to market

- SFC authorisation within **15 business days** from application if successful



Cost savings

- enabled by streamlined vetting approach



Transparent, consistent process

- more clarity and certainty for launching funds in Hong Kong



Broader investor reach

- funds from MRF Jurisdictions to access a larger pool of investors

* Please refer to Appendix I for the illustration of overall new fund application process.

Processing time

- Within 5 business days following receipt of an application, the SFC will inform applicants of its take-up decision.
- Applications, if successful, will generally be approved within 10 business days after the SFC takes up the application.



Simple and fast authorisation process



Business days.

Key eligibility requirements for FASTrack

- **Simple funds from MRF Jurisdictions**
 - Equity, bond and mixed funds
 - Exchange-traded funds and unlisted index funds tracking an index adopted by other existing SFC-authorized fund(s) or a plain vanilla index
 - Feeder funds (where the underlying master fund is eligible for FASTrack)
 - Non-derivative funds and funds without novel features

- **Management company**
 - Located in an MRF Jurisdiction or an acceptable inspection regime jurisdiction (AIR Jurisdiction)

- **Investment delegate (if any)**
 - Located in an MRF Jurisdiction or an AIR Jurisdiction
 - Located in other jurisdictions where the delegate is an affiliate of the management company or is managing SFC-authorized funds

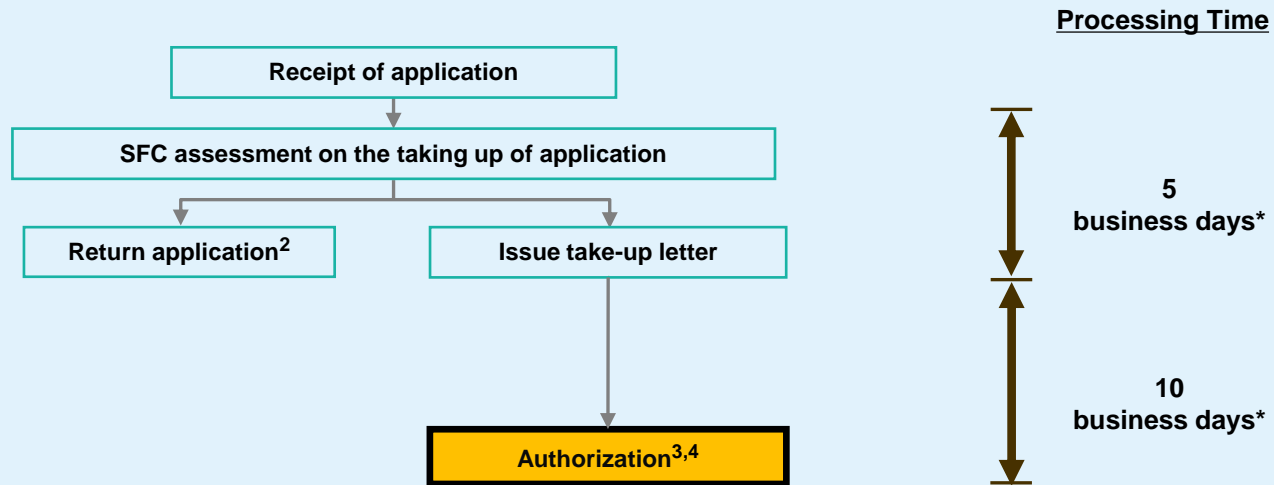
- **Complete and quality applications**





Appendix I - Illustration of overall new fund application process

Process for FASTrack¹

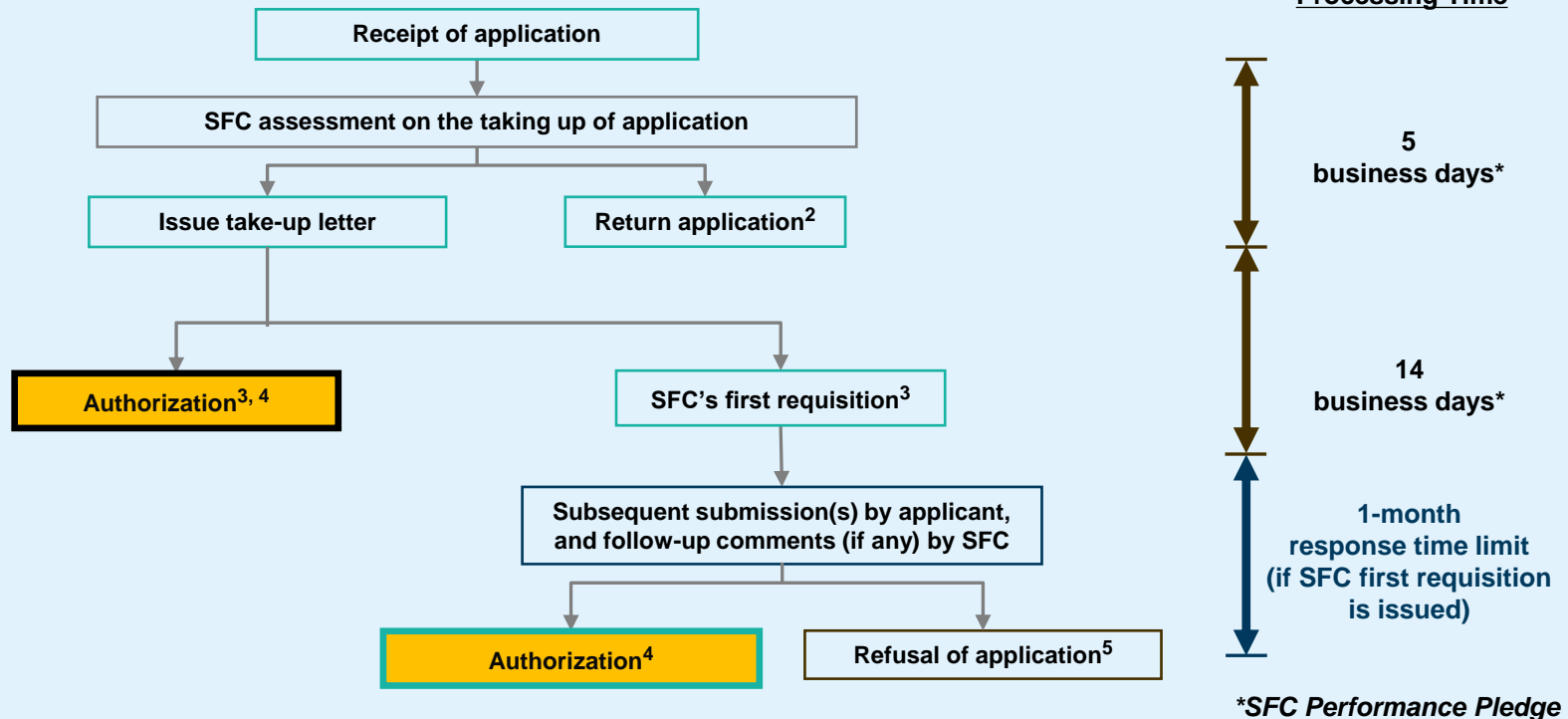


***SFC Performance Pledge**

Notes

1. FASTrack covers simple funds from jurisdictions which have mutual recognition of funds (MRF) arrangements with the SFC. Please refer to the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds, including Question 5 which sets out the eligibility criteria for FASTrack.
2. If, among others, the SFC is not satisfied with the completeness or quality of the information contained in the first submission package, the application will not be taken up.
3. In cases where there are matters or changes in circumstances that may affect SFC's assessment of the application after take-up, the SFC may raise appropriate requisitions and the applicant is required to respond within 1 month. The SFC may refuse to grant the authorization if the applicant has not responded or provided proper and complete responses to address SFC's requisitions within the response time limits.
4. The applicant must submit to the SFC a duly completed and executed Confirmation of Fulfillment of Authorizations, together with the required documents generally within 2 months from the date of the authorization letter.

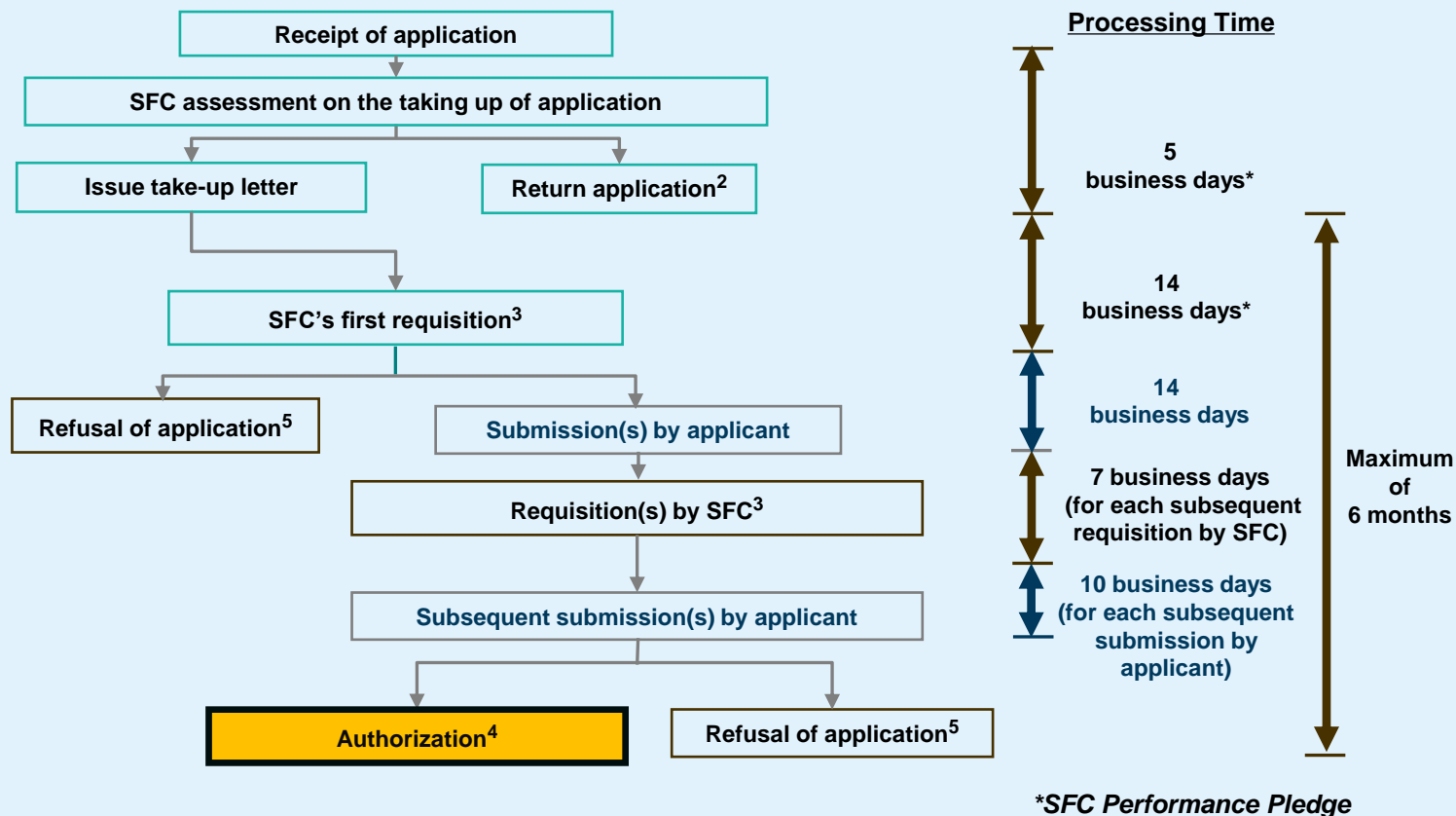
Process for Standard Applications¹



Notes

1. Please refer to the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds, including Question 6 which sets out the types of applications that will be processed as Standard Applications.
2. If, among others, the SFC is not satisfied with the completeness or quality of the information contained in the first submission package, the application will not be taken up.
3. In the event that authorization is not granted within 14 business days, the SFC will issue its requisitions and the applicant is required to respond within 1 month from the date of first requisition issued by the SFC.
4. The applicant must submit to the SFC a duly completed and executed Confirmation of Fulfillment of Authorizations, together with the required documents generally within 2 months from the date of the authorization letter.
5. The SFC may refuse to grant the authorization if an applicant has not responded or provided proper and complete responses to address SFC's requisitions within the response time limits.

Process for Non-standard Applications¹



Notes

- Applications that do not fall under the criteria eligible for FASTrack or Standard Applications will be dealt with as Non-standard Applications. Please refer to the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds.
- If, among others, the SFC is not satisfied with the completeness or quality of the information contained in the first submission package, the application will not be taken up.
- The applicant is required to respond to SFC's requisitions within 14 business days from the date of first requisition and within 10 business days for subsequent requisitions.
- The applicant must submit to the SFC a duly completed and executed Confirmation of Fulfillment of Authorizations, together with the required documents generally within 2 months from the date of the authorization letter.
- The SFC may refuse to grant the authorization if an applicant has not responded or provided proper and complete responses to address SFC's requisitions within the response time limits



Appendix II – List of publications

List of publications

New

- Circular
- Quick reference pamphlet

Updated

- FAQs on Application Procedures for Authorization of Unit Trusts and Mutual Funds
- Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds
 - Requirements on additional audit review procedures and agreed upon procedure report (for Luxembourg UCITS funds) have been removed with immediate effect (and reflected in the updated IC)
- Information Checklist for Application for Authorization of Unit Trusts and Mutual Funds (IC)
 - Updated annex (Annex J) for information on scheme features

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Thank you.

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