

**Annex A**

Amended

**Requirements in the Overarching Principles Section and UT Code to be complied with by all UK Covered Funds<sup>2</sup>.**

	<b>Relevant provisions in the Overarching Principles Section and UT Code (Transitional period to end on 31 December 2019<sup>3</sup>)</b>	<b>Relevant provisions in the Overarching Principles Section and UT Code (Effective on 1 January 2019<sup>3</sup> (Revised UT Code))</b>
<b>1. General requirements</b>		
Mention of SFC authorisation	1.10 of the Overarching Principles Section	1.10 of the Overarching Principles Section
Naming of a UK Covered Fund	5.1 and 5.2 of the Overarching Principles Section	5.1 and 5.2 of the Overarching Principles Section
Availability of constitutive documents	5.10(c) of the UT Code	5.10(c) of the Revised UT Code
Accompaniment to offering documents	6.3 and 6.4 of the UT Code	6.3 and 6.4 of the Revised UT Code
Inclusion of performance data	6.5 of the UT Code	6.5 of the Revised UT Code
Pricing, issue and redemption of units/ shares	6.10 – 6.14 of the UT Code	6.10 – 6.14 of the Revised UT Code
Performance fee	6.17 of the UT Code	6.17 of the Revised UT Code
Fees, costs and charges which must not be paid from the fund's property	6.18(a) – (c) of the UT Code	6.18 of the Revised UT Code
Investment in other funds	7.11D of the UT Code	7.11D of the Revised UT Code
Jurisdiction	9.10 of the UT Code	9.10 of the Revised UT Code

<sup>2</sup> For the avoidance of doubt, UK Covered Funds and the UK Covered Management Companies should also comply with the relevant Frequently Asked Questions (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, FAQs on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds, FAQs on SFC Authorization of UCITS Funds and FAQs on the United Kingdom-Hong Kong Mutual Recognition of Funds.

<sup>3</sup>The New Schemes with New Operators (as defined in the Revised UT Code) are subject to the Revised UT Code with immediate effect. The Existing Schemes and Existing Operators (as defined in the Revised UT Code) are generally subject to a 12-month transitional period from 1 January 2019 to comply with the Revised UT Code. Please refer to the implementation schedule as set out in the Revised UT Code for further details on the implementation and transition arrangements.

Valuation and pricing, pricing errors, suspension and deferral of dealings and transactions with connected persons	Chapter 10 of the UT Code	Chapter 10 of the Revised UT Code
<b>2. Disclosure requirements in relation to offering documents</b>		
Language	5.6 of the Overarching Principles Section	5.6 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	6.5 – 6.8 of the Overarching Principles Section and 6.2A of the Revised UT Code
Use of disclaimers	6.12 of the Overarching Principles Section	6.12 of the Overarching Principles Section
Enquiries and complaints handling	7.4 of the Overarching Principles Section	7.4 of the Overarching Principles Section
Level/ basis of calculation of fees	6.16 of the UT Code	6.16 of the Revised UT Code
Use of financial derivative instruments for investment purpose	8.9(j) of the UT Code	8.9(j) of the Revised UT Code
Information to be disclosed in the offering document	Appendix C to the UT Code, except for C2A	Appendix C to the Revised UT Code, except for C2 (regarding securities financing transactions) and C2A
<b>3. Disclosure and reporting requirements</b>		
Scheme changes, notifications, ongoing disclosures, reporting, withdrawal of authorisation, merger or termination	Chapter 11 of the Revised 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	Upon request by investors, specific information regarding these documents should be made available

	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	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
<b>4. Disclosure requirements in relation to financial reports</b>		
Notes to the accounts	Items 2 and 3 of the “Notes to the accounts” Section of Appendix E to the UT Code	Items 2 and 3(a) of the “Notes to the Financial Reports” Section of Appendix E to the Revised UT Code

**Requirements in the UT Code to be complied with by each specific type of UK Covered Funds**

	<b>Relevant provisions in the Overarching Principles Section and UT Code (Transitional period to end on 31 December 2019<sup>3</sup>)</b>	<b>Relevant provisions in the Overarching Principles Section and UT Code (Effective on 1 January 2019<sup>3</sup> (Revised UT Code))</b>
Feeder funds	7.12 of the UT Code	7.12 of the Revised UT Code
Unlisted index funds	8.6(d), 8.6(e), 8.6(f), 8.6(j), 8.6(k), 8.6(l) and 8.6(m) of the UT Code	8.6(a)(c), 8.6(c)(a) – (f), 8.6(j) – (k) and 8.6(m) of the Revised UT Code  8.8 of the Revised UT Code, except for 8.8(c), 8.8(e) and 8.8(g) (if the unlisted index fund's net derivative exposure (as defined in Note to 7.26 of the Revised UT Code) exceeds 50% of its net asset value)
Index tracking ETFs	Requirements applicable to unlisted index funds as set out above Appendix I to the UT Code (paragraphs 7A, 9, 12, 13, 14, 19, 20, 21 and 22) 8.4A of the UT Code (if the ETF is a futures-based ETF)	Requirements applicable to unlisted index funds as set out above 8.6(n) – (q), and 8.6(s) – (y) of the Revised UT Code

## Annex B

### Eligibility Requirements

#### UK Covered Fund

1. The UK Covered Fund must be established, domiciled and managed in accordance with UK laws and regulations and its constitutive documents. It must be a UK UCITS which is authorised as such by the FCA under Part 17 of FSMA or under the Financial Services and Markets Act 2000 (Open Ended Investment Company) Regulations 2001 (SI 2001/1228) (as amended). Amended
2. The UK Covered Fund must not use leverage (arising from derivatives) exceeding 100% of the fund's net asset value as calculated under the commitment approach provided under COLL5.3.8R. Amended
3. The UK Covered Fund must not invest in real estate.
4. The UK Covered Fund must not have share classes with hedging arrangements other than currency hedging.

#### UK Covered Management Company

5. The UK Covered Fund must be managed by a UK Covered Management Company that is authorised by the FCA and has permission under Part 4A of FSMA to carry on the regulated activity specified in article 51ZA of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended). Amended
6. The UK Covered Management Company of a UK Covered Fund must not have been the subject of any major regulatory or enforcement actions by FCA in the past three years or, if it has been established for less than three years, since the date of its establishment.
7. The UK Covered Management Company of a UK Covered Fund may delegate the investment management functions to any person, provided that such delegation is accepted under UK laws and regulations for UK UCITS authorised for public offering, the UK Covered Management Company remains responsible for any action of its delegate(s) and such delegate operates in one of the acceptable inspection regimes recognized under 5.1 of the UT Code.

#### UK Covered Fund's trustee and depositary

8. The UK Covered Fund must have a trustee or depositary that qualifies to act as a trustee or depositary for UK UCITS.