

22 September 2017

**Circular to applicants of exemption applications
under Part XV of the Securities and Futures Ordinance
Introduction of Six-month Application Lapse Policy**

1. The purpose of this circular is to inform applicants seeking an exemption under section 309(2) of the Securities and Futures Ordinance (**SFO**) from the Securities and Futures Commission (**SFC**) of the introduction of an application lapse policy to be adopted with effect from 1 October 2017 (**Effective Date**).
2. The SFC's decision was made with a view to enhancing efficiency in the use of its resources after taking into account recommendations of the Process Review Panel for the SFC.
3. All applications for exemption under section 309(2) of the SFO received by the SFC on or after the Effective Date will be processed as follows:
 - (a) If six months have elapsed from the date of receipt of an exemption application by the SFC and the applicant has not provided all relevant information to the SFC, the application will lapse subject to the SFC's right to grant an extension at its sole discretion. The application fee in respect of the lapsed application will not be refunded to the applicant.
 - (b) Once an exemption application has lapsed, the applicant will need to make a new application if it wishes to apply for exemption for the same financial product, whereupon it will need to pay the application fee for the new application and repeat the application procedures.
4. All applications for exemption under section 309(2) of the SFO received by the SFC before the Effective Date in respect of which no exemption has been granted will be processed as follows:
 - (a) The six-month application lapse period would be deemed to have commenced on the Effective Date.
 - (b) If six months have elapsed from the Effective Date and the applicant has not provided all relevant information to the SFC, the application will lapse subject to the SFC's right to grant an extension at its sole discretion. The application fee in respect of the lapsed application will not be refunded to the applicant.
 - (c) Once an exemption application has lapsed, the applicant will need to make a new application if it wishes to apply for exemption for the same financial product, whereupon it will need to pay the application fee for the new application and repeat the application procedures.



5. The SFC believes that this six-month application lapse policy initiative should encourage applicants to respond to requisitions in a timely fashion.
6. Should you have any questions, please contact Corporate Finance Division at 2231 1249 or cfmailbox@sfc.hk.

**Corporate Finance Division
Securities and Futures Commission**