

29 June 2018

Circular to management companies of SFC-authorized unit trusts and mutual funds

Launch of enhanced fund data reporting

1. The purpose of this circular is to announce the launch of enhanced reporting requirements for SFC-authorized funds¹ (the “Fund(s)”) and to provide details about the implementation timeline and filing arrangements. The collection of enhanced funds data will enhance the SFC’s ability to perform its supervisory and regulatory responsibilities.

Enhanced reporting on fund data

2. In addition to the existing reporting obligations, the enhanced requirements will cover periodic reporting in the following areas:
 - (a) liquidity profile of the Fund’s assets with reference to the liquidity categories²;
 - (b) the Fund’s subscription and redemption amounts;
 - (c) the Fund’s asset allocation (with reference to a breakdown of major asset classes by country, asset quality and listing venue etc.); and
 - (d) securities financing transactions³ and securities borrowing transactions of the Fund (including information on outstanding balances, counterparties, collateral issuers and types etc.).

Fund data required to be submitted under the enhanced reporting requirements is set out in full in the reporting forms.

¹ SFC-authorized funds (or the Funds) refer to funds that are authorized by the SFC under the Code on Unit Trusts and Mutual Funds, save for UCITS funds, Recognized Jurisdiction Schemes and those under mutual recognition of funds arrangements.

² As set out in the Circular to management companies of SFC-authorized funds on liquidity risk management dated 4 July 2016, management companies may classify the fund’s assets into different liquidity categories of high, medium and low liquidity.

³ Securities financing transactions refer to securities lending, repos and reverse repos transactions.



3. The implementation timeline with effect from 30 September 2018 is:

Types of report	Reporting frequencies	First report date	First filing deadline to the SFC
Liquidity profile of Funds' assets	Quarterly	30 September 2018	5 November 2018
Subscription and Redemption	Quarterly	30 September 2018	5 November 2018
Asset allocation	Quarterly	31 December 2018	4 February 2019
Securities financing transactions and securities borrowing transactions	Annual	31 December 2018	4 February 2019

After the first filing, the subsequent filing deadline for each type of report is 5 weeks from the report date. For quarterly reporting, the quarter end report date is 31 March, 30 June, 30 September and 31 December. For annual reporting, the year end report date is 31 December.

Reporting forms and filing arrangements

4. Within seven business days of each report date, the SFC will send a notification email to the management company of each Fund. The notification will include reporting forms, instructions for completing the forms and a link to the SFC Online Portal for submitting the completed forms.
5. The management company (or its authorised entity e.g. the fund's administrator) should complete and file reporting forms with the SFC via the SFC Online Portal.

SFC Online Portal account and sample reporting forms

6. Management companies (or their authorised entities) that do not have an SFC Online Portal account should open an account as soon as possible via <https://portal.sfc.hk/sfcportal/signin?locale=en> and request an SFC online submission identification code at ipfunddata@sfc.hk which is a unique identification code for the purpose of online submissions⁴.
7. To facilitate preparation for the launch of enhanced data reporting, samples of the reporting forms are provided at Attachment 1 – 4 for reference.

⁴ Please refer to the circular "Launch of online submission of information under section 110(1) of the Securities and Futures Ordinance (SFO)" dated 24 November 2017 issued by the Investment Products Division.



General

8. The SFC may refine or enhance reporting taking into consideration the local and international market and regulatory developments as well as implementation of the enhanced fund data reporting.
9. Should you wish to seek clarification of any aspect of this circular, please contact our case officers in charge of your portfolio.

**Investment Products Division
Securities and Futures Commission**