Frequently Asked Questions on Switzerland-Hong Kong Mutual Recognition of Funds

These frequently asked questions (FAQs) are prepared by the Investment Products Division to provide guidance to market practitioners regarding the Switzerland-Hong Kong Mutual Recognition of Funds (MRF) scheme. Firms are encouraged to contact the relevant case team in the Investment Products Division if they are in doubt on any specific issues arising from the application/interpretation of the matters relating to the MRF.

The information set out below is not meant to be exhaustive. These FAQs may be updated and revised from time to time. These FAQs are only for general reference. Compliance with all the requirements in these FAQs does not necessarily mean that an application will be accepted or an authorization will be granted. The SFC reserves the rights to exercise all powers conferred under the law.

Unless otherwise defined herein, all capitalised terms shall have the meanings given to them in the Circular on Mutual Recognition of Funds between the Switzerland and Hong Kong (Circular) issued by the SFC on 2 December 2016, as amended from time to time.

	Question	Answer
1.	How should Swiss funds that would like to seek SFC authorization submit their applications?	Applications of Swiss funds seeking authorization under the MRF received by the SFC will be processed according to the fund authorization process as set out in the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds. 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 us via e-IP: a. a duly signed and completed **Application Form**; b. a duly signed and completed **Information Checklist** (http://www.sfc.hk/web/EN/forms/products/forms.html);

[1] Please refer to the circular entitled "Circular on launch of e-IP application/submission system on WINGS" dated 8 July 2024.

	Question	Answer
		c. an advanced draft of the fund's offering document (including the product key facts statement(s)) and, where applicable, marked up against the latest version filed with the SFC; d. constitutive documents of the fund(s) (where applicable, under the circumstances as set out in Chapter 2 of the Guide (as defined below)); e. documents (including any confirmations and/or undertakings) required to be submitted pursuant to the Information Checklist; and f. the application fee (see Q.2 of the FAQs on Application Procedures for Authorization of Unit Trusts and Mutual Funds). During the application process, all changes to any subsequent draft documentation must be properly and comprehensively marked up to facilitate review by the SFC. During the vetting process, the SFC may from time to time request for the submission of additional supporting information or documents which it deems necessary for facilitating its consideration as to whether authorization should be granted. In preparation for their applications, applicants should also refer to the "Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds" (the Guide) which is posted on the SFC's website for necessary information and reference. Applicants should submit soft copies of the application documents via e-IP to the Investment Products Division. In general, the Investment Products Division will issue a letter (Take-up Letter) within 5 business days upon the receipt of the Application Form, the Information Checklist and all the necessary documents in support of the application, to inform the applicant that the SFC will process the application. The date of the Take-up Letter (i.e. the Take-up Date) is the date on which the SFC formally takes up the application. The applicant is expected to submit the applicable application fee as soon as practicable upon receipt of the Take-up Letter from the SFC. Once an application is taken up, the application fee will not be refunded.

1A.	What are the requirements for submitting documents and application fee in support of a new fund application to the SFC?	To commence an application, various documents, including offering documents, duly signed and completed application form, information checklist and confirmations, as well as the application fee are required to be submitted to the SFC via e-IP. *A) Submission of application documents by soft copy* Applicants shall submit all application-related documents by soft copy. The official receipt date of a new 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) 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: We will accept submission of un-signed copies of the relevant information checklists, confirmations and other relevant documents (the Relevant Forms), which are required to be completed, as applicable, by an applicant, investment delegate of the Swiss fund or other parties, provided that the Relevant Forms shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all information, and confirmations and undertakings where applicable, contained in the Relevant Forms (and all documents submitted relating thereto) are true and accurate. Option 2: An applicant may submit scanned copies of the Relevant Forms signed by a person who meets the signatory requirements.

	Question	Answer
		While the SFC will take up a new fund application when the application fee is the only outstanding matter, an applicant is expected to submit the application fee as soon as practicable upon receipt of the Take-up Letter from the SFC.
2.	Who can issue marketing materials in respect of Recognised Swiss funds? Will these marketing materials need SFC's prior authorization?	All advertisements and marketing materials in relation to a Recognised Swiss Fund issued in Hong Kong shall comply with the relevant Hong Kong laws and regulations, including but not limited to the requirements set out in the Advertising Guidelines Applicable to Collective Investment Schemes Authorized under the Product Codes issued by the SFC. Recognised Swiss Funds should issue advertisement and marketing materials via a representative or distributor who is licensed or registered for Type 1, 4 or 6 regulated activity or based on other applicable exemptions under section 103 of the Securities and Futures Ordinance. Such materials would not be subject to authorization/pre-vetting by the SFC but would be subject to post-vetting by the SFC. The representative or distributor should also take responsibility for the advertisements and marketing materials that it issues.
3.	Will the Hong Kong representative of a Recognised Swiss Fund be required to be licensed by the SFC?	To be eligible to act as a Hong Kong representative, the Code on Unit Trusts and Mutual Funds requires a Hong Kong representative must be licensed or registered under the Securities and Futures Ordinance. The Code on Unit Trusts and Mutual Funds does not mandate that the Hong Kong representative must be licensed or registered for any particular regulated activity. However, Hong Kong representatives that carry on regulated activities under the Securities and Futures Ordinance must be licensed or registered accordingly. For example, if the Hong Kong representative would like to distribute the Recognised Swiss Fund in Hong Kong, it would need to be licensed for Type 1 Regulated Activity. Please refer to Chapter 9 of the Code on Unit Trusts and Mutual Funds for further details.
4.	What are the language requirements for the Hong Kong offering documents of Recognised Swiss Funds?	The Hong Kong offering documents of the Recognised Swiss Funds should be prepared in English and Chinese.

	Question	Answer
		Applicants should submit the English version of the fund's Hong Kong offering documents at the time of application. Applicants are required to submit the Chinese version of such offering documents prior to authorization becoming effective. Applicants should submit written translation certificate (in prescribed form as set out in the Information Checklist http://www.sfc.hk/web/EN/forms/products/forms.html) regarding the truth and accuracy of the English and Chinese translation. The Chinese translations should take into account market practices and customary use of Chinese language in Hong Kong.
5.	The constitutive documents and financial statements of Swiss funds are prepared in official Swiss language (German, French or Italian). Are these documents required to be translated into English and Chinese when a Swiss fund seeks SFC authorization?	The constitutive documents and financial reports of a Recognised Swiss Fund shall be made available to Hong Kong investors in either English or Chinese. The language in which these documents are made available to Hong Kong investors should be clearly disclosed in the Hong Kong offering documents.
6.	Will the Guide, as revised/updated from time to time, apply to Swiss funds seeking SFC's authorization?	In preparation for their applications, applicants should also refer to the Guide. The Guide sets out detailed guidance for applicants to prepare their applications and comply with the requirements under the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, the Code on Unit Trusts and Mutual Funds and other applicable regulatory requirements as may be issued by the SFC from time to time. Among others, the Guide contains a set of disclosure guidance to facilitate applicants' preparation of their funds' offering documents. Applicants are encouraged to contact the relevant case team in the Investment Products Division if they have any questions.

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