SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

Frequently Asked Questions on SFC Authorization of UCITS Funds

These FAQs aim to provide basic information to market practitioners concerning the authorization of UCITS funds by the SFC pursuant to the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (Handbook), including the Code on Unit Trusts and Mutual Funds (UT Code). Applicants are encouraged to contact the relevant case team in the Investment Products Division of the Securities and Futures Commission (the "SFC") for any specific issues arising from the application/interpretation of the Handbook, the UT Code or these FAQs. Please note that each application for authorization is considered on a case-by-case basis.

For the purpose of these FAQs, UCITS funds means (i) Undertakings for Collective Investment in Transferable Securities (UCITS) domiciled in France, Luxembourg, Ireland and the Netherlands, and (ii) collective investment schemes domiciled in the United Kingdom authorized as UK UCITS.

The information set out below is not meant to be exhaustive. These FAQs may be updated and revised from time to time. They are only for general reference. Compliance with all the requirements in these FAQs do not necessarily mean an application will be accepted or approval/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 such terms in the Handbook.

Notes: (1) For ease of reference, collective investment schemes that are generally known as unit trusts or mutual funds are referred to as "funds" in the following FAQs.

(2) Unless otherwise specified, the term "ETF" used in these FAQs shall cover SFC-authorized passive ETF, active ETF and listed unit/share class of unlisted fund.

Section 1: SFC authorization of UCITS funds

	Question	Answer
1.	What does SFC authorization of a UCITS fund involve?	In addition to the general procedures and requirements as described under the UT Code and the FAQs on the UT Code, we have adopted streamlined measures in processing UCITS funds in Hong Kong. Please refer to the Application of the Code on Unit Trusts and Mutual Funds on UCITS funds ("UCITS Streamlined Measures"). The UCITS Streamlined Measures sets out the application of the UT Code to the UCITS funds domiciled in France, Luxembourg, Ireland, the UK and the Netherlands, which are the main origins of the UCITS funds in Hong Kong.
2.	What are the requirements if a UCITS fund may use financial derivative instruments ("FDI") for investment or other purposes? What specific information should be disclosed in the offering document/advertisements for UCITS funds which may use FDI for investment purposes?	Where a UCITS fund may use FDI as part of their investment policies or portfolio management, reference should be made to the Guide on the Use of Financial Derivative Instruments for Unit Trusts and Mutual Funds (the "Derivative Guide"). UCITS funds adopting either the commitment approach or the Value-at-Risk ("VaR") approach in accordance with their home jurisdiction's requirements and are not subject to specific distribution restrictions to retail investors are deemed compliant with the derivative exposure limits under Chapter 7.26 of the UT Code ("Deemed-Compliant UCITS Funds"). These funds relying on the deemed-compliance arrangement will not be required to calculate net derivative exposure ("NDE") for compliance with the Hong Kong retail fund regime. Details are set out in Chapter 2 of the Derivative Guide. For avoidance of doubt, UCITS funds may choose to adopt the NDE approach as its risk management methodology for compliance with the UT Code regarding derivative exposure limit. Please refer to the Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds, UCITS Streamlined Measures, Derivative Guide and Products Key Facts Statement illustrative templates for the disclosure requirements in offering documents. For specific information and/or risk warnings in advertisements, please refer to the Frequently Asked Questions on Advertising Materials of Collective Investment Schemes Authorized under the Product Codes.

	Question	Answer
2A.	How will SFC-authorised UCITS funds be designated as non-complex products or complex products for distribution in Hong Kong?	SFC-authorised Deemed-Compliant UCITS Funds (see Q.2 above) will generally be classified as non-complex products for distribution in Hong Kong. SFC-authorised UCITS funds which opt to adopt and calculate NDE and with NDE exceeding 50% of the fund's net asset value will be designated as complex products. Notwithstanding the above, the SFC has the discretion to designate certain SFC-authorised funds (including UCITS funds) as complex products for distribution in Hong Kong based on their characteristics and risks, irrespective of their NDE, commitment or VaR measure. The key consideration is whether the product contains terms, features, and risks that are too complex for retail investors to understand. Factors considered by the SFC include the fund's investment strategies, underlying assets and other characteristics, such as the use of financial derivative instruments and leverage or funds with exposures to private credit and private equity. A non-exhaustive list of examples of investment strategies and product features that are likely to result in a fund being designated as a complex product include: ▪ Swap-based ETFs (ie, synthetic ETFs) ▪ Futures-based ETFs ▪ Leveraged and inverse products ▪ Structured funds (eg, defined outcome funds) ▪ Virtual asset funds ▪ Hedge funds ▪ Listed closed-ended alternative asset funds ▪ Funds adopting primarily complex investment strategies such as market neutral, statistical arbitrage, event-driven, macro trading Management companies are advised to consult the SFC in advance. The SFC will review and update these examples from time to time as the market evolves.
3.	UCITS funds often operate with an umbrella fund structure, within which there may be many sub-funds. It may be that some of these sub-funds are offered to the	Under the Securities and Futures Ordinance (SFO), documents offering investment products to the public in Hong Kong must be authorized by the SFC, unless otherwise exempted. In principle, authorization of offering documents under the SFO would normally be granted together with the authorization of the products. Given an unauthorized product is not required

	Question	Answer
	public of Hong Kong, whilst some are not. If a fund manager of UCITS funds uses a global offering document which contains information on both SFC-authorized funds and non-SFC-authorized funds, what additional disclosures are expected to be made in the Hong Kong wrapper of the global offering document for the purposes of distribution to the public of Hong Kong?	to comply with the SFC's regulatory requirements, the SFC would not generally consider it appropriate to authorize any offering document in respect of such unauthorized product under the SFO. However, the SFC notes that it is not uncommon to see a UCITS umbrella fund, where some sub-funds are offered to the public (thus SFC-authorized), whilst some are not (non-SFC authorized). Such a UCITS umbrella fund may use a global offering document which contains information on both SFC-authorized funds and non-SFC authorized funds. In cases of such global offering documentation, the following statements must be disclosed in the Hong Kong wrapper of the global offering document in an upfront and prominent manner. In addition, the Hong Kong wrapper must precede the global offering document. "**Warning**: In relation to the funds as set out in the [Prospectus], only the following funds are authorized by the SFC pursuant to section 104 of the Securities and Futures Ordinance and hence may be offered to the public of Hong Kong: *[please list names of SFC-authorized funds]* Please note that the [Prospectus] is a global offering document and therefore also contains information on the following funds which are not authorized by the SFC: *[please list names of unauthorized funds disclosed in the global offering document]* No offer shall be made to the public of Hong Kong in respect of the above unauthorized funds. The issue of the [Prospectus] was authorized by the SFC only in relation to the offer of the [above] SFC-authorized funds to the public of Hong Kong. Intermediaries should take note of this restriction."
4.	Are there any streamlined measures for UCITS short-term money market funds ("MMFs") that offer constant net asset value ("NAV")?	As set out in the UCITS Streamlined Measures, UCITS short-term MMFs should comply with 8.2(b), (c), (d), (o) and (p) of the UT Code. Accordingly, an UCITS short-term MMF that seeks to maintain an unchanged NAV per unit or share ("CNAV MMF") should comply with requirements applicable to CNAV MMFs under 8.2(o)

	Question	Answer
		of the UT Code (including the liquidity and underlying investments requirements). An UCITS short-term MMF that is unable to comply with 8.2(o) of the UT Code, including an MMF that may describe itself as offering constant NAV in its home jurisdiction, will not be regarded and cannot be marketed as a CNAV MMF in Hong Kong. Management companies should ensure that the fund's offering documents and marketing materials contain clear and adequate disclosures so that investors are not misled as to the nature and characteristics of the product.

Section 2 – Post-authorization compliance issues of UCITS funds

	Question	Answer
1.	After a UCITS fund is authorized by the SFC, is it required to comply with any on-going requirements?	Yes. An SFC-authorized UCITS fund has to comply with the post-authorization requirements as set out in Chapters 10 and 11 of the UT Code, except for 11.1(a) and 11.6A. Please refer to UCITS Streamlined Measures for requirements applicable to UCITS funds. To enhance the operational efficiency and approval processes of SFC-authorized UCITS funds in implementing changes and fulfilling the disclosure and reporting requirements, the SFC adopts a streamlined approach in processing certain post-authorization matters (including reporting of pricing errors and material breaches as well as scheme changes) for UCITS funds as set out in the FAQs below. For other post-authorization matters not specifically set out in the FAQs below, an SFC-authorized UCITS fund should refer to the Frequently Asked Questions on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds.
Pricing errors and material breaches		
2.	If a pricing error has occurred in relation to an SFC-authorized UCITS fund, what form should the manager submit to inform the SFC of the pricing error?	All SFC-authorized funds are required to comply with paragraphs 10.2, 10.2A and 10.2B of the UT Code. In view of UCITS funds being subject to home regulators' supervision, we have adopted a streamlined process for the pricing errors of UCITS funds. Managers of UCITS funds should report the funds' pricing errors by submitting the completed Ongoing Compliance Form for Filing of Pricing Errors (Pricing Errors Filing Form) to the SFC. The Pricing Errors Filing Form provides flexibility for managers to report the pricing errors of multiple funds in a single form, if the nature of the pricing errors (undervaluation / overvaluation) and other key facts and circumstances (such as the magnitude, affected period, underlying reason(s) and responsible party(ies)) are largely the same for all such pricing errors. Where no Hong Kong investors invest in the unit(s) / share class(es) of the UCITS fund(s) which is/are affected by the pricing error during the affected period, managers are not required to inform the SFC of the pricing error.

	Question	Answer
3.	The Pricing Errors Filing Form consists of two parts (Part A and Part B). When does the manager of a UCITS fund need to submit the two parts respectively?	Where a pricing error falling under paragraph 10.2A of the UT Code has occurred, the manager of the relevant UCITS fund should immediately report to the SFC upon the discovery of the error, by completing and submitting Part A of the Pricing Errors Filing Form to the SFC. Subsequently, the manager of the relevant UCITS fund is required to report to the SFC further details of the pricing error, including the corresponding remedial measures (including all of the required compensation arrangements) and the reason(s) for the pricing error. The manager of the relevant UCITS fund is expected to do so by completing and submitting Part B of the Pricing Errors Filing Form to the SFC once the following parties do not have any comments on the pricing error and the corresponding remedial measures (including all of the required compensation arrangements) taken or to be taken (and to the extent that any such party has any comment(s), all such comment(s) have been properly addressed): (i) the depositary; (ii) the independent auditor, to the extent that compensation to affected Hong Kong investor(s) is required and the compensation methodology and calculation are required to be reviewed by an independent auditor under the laws and regulations of the fund's home jurisdiction; and (iii) the home regulator, to the extent that the pricing error is required to be notified to the home regulator of the UCITS fund under the laws and regulations of the fund's home jurisdiction. The manager of the relevant UCITS fund will be required to provide certain confirmations, including a confirmation that paragraphs 10.2, 10.2A and 10.2B of the UT Code have been and will be complied with at all times, as provided under the Pricing Errors Filing Form.
4.	If a material breach has occurred in relation to an SFC-authorized UCITS fund, what form should the manager submit to inform the SFC of the material breach?	Pursuant to paragraph 4.1(c) of the Overarching Principles Section of the Handbook, management companies of all SFC-authorized schemes are required to inform the SFC promptly of any material breaches. Since UCITS funds are subject to their home regulators' supervision, we have adopted the following streamlined process for such funds. • Managers of UCITS funds should inform the SFC of material breaches by submitting the completed Ongoing Compliance Form for Filing of Material Breach(es) (Breaches Filing Form). The Breaches Filing Form is only applicable to:

	Question	Answer
		(i) breach(es) of investment restriction(s) under the fund's home jurisdiction's laws and regulations; and/or (ii) breach(es) of other restriction(s) or requirement(s) that is/are subject to the fund's home regulator's supervision. • Nevertheless, the following breaches should still be reported to the SFC by submitting the completed Ongoing Compliance Form for Reporting of Material Breach(es) (Breaches Reporting Form): (i) breach(es) of provisions under the UT Code that are applicable to UCITS funds (eg, the fund's net derivative exposure); and/or (ii) breach(es) of other applicable SFC-specific disclosure requirements (eg, investments in certain specific asset classes, risk disclosures, disclosures of ongoing charges and past performance information, etc.). • The Breaches Filing Form and Breaches Reporting Form allow managers to file or report breaches of multiple funds in a single form, if the nature of the breaches (eg, the laws and regulations being breached) and other key facts and circumstances (eg, the affected period, underlying reason(s) and responsible party(ies)) are largely the same. • Where no Hong Kong investors invest in the UCITS fund during the affected period, managers are not required to file or report the material breaches of the UCITS fund to the SFC.
5.	The Breaches Filing Form consists of two parts (Part A and Part B). When does the manager of a UCITS fund need to submit the two parts respectively?	Where a breach falling under the streamlined process has occurred, the manager of the relevant UCITS fund should promptly inform the SFC upon the discovery of the breach, by completing and submitting Part A of the Breaches Filing Form to the SFC. Subsequently, the manager of the relevant UCITS fund is required to file to the SFC further details of the breach, including the corresponding remedial measures (including all of the required compensation arrangements) and the reason(s) for the breach. The manager is expected to do so by completing and submitting Part B of the Breaches Filing Form to the SFC once the following parties do not have any comments on the breach and the corresponding remedial measures (including all of the required compensation arrangements) taken or to be

	Question	Answer
		taken (and to the extent that any such party has any comment(s), all such comment(s) have been properly addressed): (i) the depositary; (ii) the independent auditor, to the extent that compensation to affected Hong Kong investor(s) is required and the compensation methodology and calculation are required to be reviewed by an independent auditor under the laws and regulations of the fund's home jurisdiction; and (iii) the home regulator. The manager of the relevant UCITS fund will also be required to provide certain confirmations as provided under the Breaches Filing Form.
6.	What should the manager of a UCITS fund do when an event with a material adverse effect arises from a breach or pricing error of an SFC-authorized UCITS fund?	Managers are reminded to inform the SFC promptly of any event which has a material adverse effect on an SFC-authorized fund or its investors (in the case of a UCITS fund, such as the withdrawal or suspension of authorization or approval for public offering in its home jurisdiction, and the imposition of any conditions or restrictions, changes in any authorization or approval conditions by the home regulator, etc.). This applies at all times, including when an event with a material adverse effect arises from a breach or pricing error of an SFC-authorized UCITS fund subsequent to the submission of the corresponding Breaches Filing Form and/or Pricing Errors Filing Form (as the case may be). The SFC may require the submission of further information and documents as it deems appropriate in respect of any breaches and/or pricing errors of any SFC-authorized funds (including UCITS funds) on a case-by-case basis.
Changes to constitutive documents		
7.	Do change(s) to the constitutive documents of an existing SFC-authorized UCITS fund require prior approval from the SFC pursuant to 11.1(a) of the UT Code?	According to UCITS Streamlined Measures, a UCITS fund is generally deemed to have complied with 11.1(a), if the management company confirms that: (i) the constitutive documents of the UCITS fund have complied with all applicable home jurisdiction's laws and regulations and home regulator's requirements and have complied with 9.10; (ii) such constitutive documents are the latest version that have been submitted to or filed with the home regulator; and

	Question	Answer
		(iii) the UCITS fund has also complied with D12 of Appendix D regarding connected party transactions. In such case, changes to constitutive documents of the UCITS fund are regarded as changes falling under 11.1B and prior approval is not required from the SFC under 11.1(a) of the UT Code.
Changes of depositary		
8.	Does change of depositary of an existing SFC-authorized UCITS fund require prior approval from the SFC pursuant to 11.1(b) of the UT Code?	No, generally prior approval is not required from the SFC under 11.1(b) of the UT Code in respect of change of depositary of SFC-authorized UCITS funds, regardless of whether the new depository is currently acting in the relevant role of other SFC-authorized funds. As part of the filing of the scheme change, the management company is required to file the "Filing Form for Notice of Scheme Change(s) falling within 11.1B of the Code on Unit Trusts and Mutual Funds and Do Not Require SFC's Prior Approval", together with the applicable Confirmation(s) and undertaking(s) as set out in the "List of Confirmations of Compliance related to Scheme Change(s) pursuant to 11.1 of the Code of Unit Trusts and Mutual Funds".
Changes of investment delegates		
9.	Does change of investment delegates of an existing SFC-authorized UCITS funds require prior approval from the SFC pursuant to 11.1(b) of the UT Code?	No, generally prior approval is not required from the SFC under 11.1(b) of the UT Code in respect of change of investment delegates of SFC-authorized UCITS funds, regardless of whether the new investment delegate is currently acting in the relevant role of other SFC-authorized funds. As part of the filing of the scheme change, the management company is required to file the "Filing Form for Notice of Scheme Change(s) falling within 11.1B of the Code on Unit Trusts and Mutual Funds and Do Not Require SFC's Prior Approval", together with the applicable Confirmation(s) and undertaking(s) as set out in the "List of Confirmations of Compliance related to Scheme Change(s) pursuant to 11.1 of the Code of Unit Trusts and Mutual Funds". For the avoidance of doubt, the above streamlined approach does not apply to investment delegates referred to in Q.8C of the FAQs on the UT Code, where the actual product issuer acts as the investment delegate of the SFC-authorised UCITS fund adopting a third-party management company arrangement. Any change to such investment delegate will require the SFC's prior approval. Management companies are encouraged to consult the SFC in advance

	Question	Answer
		if in doubt.
Changes of investment objectives, policies and restrictions		
10.	What types of changes to SFC-authorized UCITS fund's investment objectives, policies and restrictions require the SFC's prior approval pursuant to 11.1(c)(i) of the UT Code?	In general, prior approval is not required from the SFC under paragraph 11.1(c)(i) of the UT Code in respect of changes in investment objectives, policies and restrictions of SFC-authorized UCITS funds except for changes involving local policy implications or novel / complex product features. Below are some non-exhaustive illustrative examples of such changes: (i) any change that would result in the UCITS fund being reclassified as a complex product for distribution in Hong Kong; (ii) any change that would result in the UCITS fund having significant investments[1] in or exposure to novel / complex asset classes (eg, virtual assets, instruments with loss-absorption features, insurance linked securities, etc.); and (iii) any change that would result in the UCITS fund being converted into a specific fund type that is subject to local policy considerations (eg, converting from a non-ESG fund to an ESG fund[2], from a variable NAV money market fund into a constant NAV money market fund, etc.).
Changes of fees and charges, dealing arrangements and distribution policy		
11.	For the purposes of 11.1(c)(ii) and (iii) of the UT Code, what types of changes to SFC-authorized UCITS funds would not generally be regarded as material changes	Scheme changes which can satisfy the Overriding Requirements (as defined below) would not generally be regarded as material changes for the purposes of 11.1(c)(ii) and (iii) of the UT Code. Set out below are the overriding principles and requirements ("Overriding Requirements") that

[1] Significant investments refer to any investments that exceed the currently permitted exposure for each specific type of asset classes as set out in the relevant FAQs.

[2] ESG funds refers to any SFC-authorized funds which incorporate environmental, social and governance (ESG) factors as their key investment focus and reflect them in their investment objective or strategy pursuant to the SFC's circular of ESG funds. For the avoidance of doubt, a change of investment objective and/or strategy that converts an SFC-authorized UCITS fund from an ESG fund to a non-ESG fund is generally regarded as a change that does not require the SFC's prior approval. Management companies should inform the relevant case team in the Investment Products Division to remove the ESG fund from the List of ESG funds on the SFC's website as soon as reasonably practicable. Please note that it is generally expected that a non-ESG fund should not include reference to "ESG" or "sustainable" or other similar terms in its fund name, but exceptions are permitted on a case-by-case basis. In case of doubt, early consultation with the SFC is encouraged.

	Question	Answer
	and do not require the SFC's prior approval?	must be satisfied for any changes not to be regarded as material changes for the purposes of 11.1(c) (ii) and (iii) of the UT Code and do not require the SFC's prior approval: • the changes do not amount to a material change to the scheme; • there will be no material change or increase in the overall risk profile of the scheme following the changes; and • the changes do not have a material adverse impact on holders' rights or interests (including changes that may limit holders' ability in exercising their rights). Below are some illustrative examples: *a. Changes in fees and charges* i. increase in or reduction of initial charges/subscription fees payable by investors; ii. change in the minimum initial subscription amount and/or subsequent subscription amount (unless it is due to any regulatory requirement or controls under any applicable laws and regulations); iii. increase in fees and charges up to the permitted maximum level as disclosed in the offering documents; and iv. removal of fee item(s) payable by the investors and/or the scheme. *b. Changes in dealing arrangements or distribution policy* i. change of frequency of dividends payment; ii. change or adoption of fixed dividend rate (as disclosed in the offering documents) which will not result in structural decumulation of capital for that existing or new fixed distribution rate share class; iii. change of distribution policy from paying dividend out of capital / effectively out of capital to no longer paying dividend out of / effectively out of capital (ie, solely out of net distributable income);

	Question	Answer
		iv. change in dealing frequency, which is of demonstrable benefits to investors and in compliance with the provisions of Chapter 6 of the UT Code; v. changes in dealing deadline and/or settlement/payment periods for the subscription or redemption of units/shares of a scheme, which are of demonstrable benefits to investors, or are necessary to comply with regulatory, fiscal or other statutory or official requirements, or are consequential to the proposed change in investment objective, policies and restrictions, and are in compliance with the provisions of Chapter 6 of the UT Code (including ensuring forward pricing); vi. adoption of additional trading counter(s) for an ETF; and vii. changes in primary market dealing arrangement of an ETF to which all participating dealers of the ETF have agreed.
Notices to holders		
12.	What are the requirements on notifications to holders in respect of the scheme changes of SFC-authorized UCITS funds?	<u>Notice period</u> Pursuant to 11.2 of the UT Code, a reasonable notice period should be provided to the holders of all SFC-authorized funds in order to enable them to appraise the position of the fund and to make an informed judgement of their investments in the fund. In determining the notice period in respect of scheme changes to an SFC-authorized UCITS fund, the following should be followed: *(a) For changes in SFC-authorized UCITS funds that <u>require</u> the SFC's prior approval:* • Generally, one month's prior notice will be required. • A shorter notice period may be permitted where the proposed changes are of demonstrable benefit to investors as provided under Note (2) to 11.2 of the UT Code or otherwise agreed by the SFC. A shorter notice period is acceptable if the fund manager has obtained written consent from all of the fund's investors or if the change does not impact existing holders' rights or interests. In case of doubt, early consultation with the SFC is encouraged.

	Question	Answer
		(b) For changes in SFC-authorized UCITS funds that <u>do not require</u> the SFC's prior approval: • Generally, UCITS funds should follow home regulator's requirement on prior notification to investors, unless otherwise specified as below: (i) For any change of new investment delegate that would result in the SFC-authorized UCITS fund ceasing to be eligible for New CIES[3], it is generally expected to notify the SFC at least 14 calendar days in advance and inform investors as soon as practicable. (ii) For appointment of new investment delegate which is not currently acting in the relevant role of other SFC-authorized funds, one month's prior notice will normally be required unless such investment delegate has already been disclosed in the global offering document (such as the global prospectus) and the Hong Kong wrapper contains relevant disclosure that the SFC-authorized UCITS funds may appoint investment delegates as disclosed in the global offering document from time to time without prior notice. <u>Notice content</u> It is the management companies' responsibility to ensure notices to holders are not misleading and contain accurate and adequate information to keep investors informed and to ensure they comply with all applicable legal and regulatory requirements. UCITS funds in general should follow home regulator's requirement on notice content and ensure investors in Hong Kong to receive fair treatment in respect of disclosure of information, regardless of whether the scheme changes of SFC-authorized UCITS funds are subject to the SFC's prior approval. The SFC will continue to conduct post-vetting of notice filed with us to monitor compliance and

[3] New CIES refers to the new Capital Investment Entrant Scheme launched with effect from 1 March 2024.

	Question	Answer
		may require management companies to issue supplemental notices if circumstances warrant on a case-by-case basis. The SFC takes cases of non-compliance seriously and reserves its right to take any necessary regulatory actions to ensure that the interests of investors are safeguarded.

	Question	Answer
Revised Offering Documents		
13.	Does an SFC-authorized UCITS fund require the SFC's authorization of the revised offering documents which reflects scheme changes that are subject to the SFC's prior approval?	Yes. Where changes to an existing SFC-authorized UCITS fund are subject to the SFC's prior approval, any consequential amendments to the offering documents (eg, new risk factors due to change in investment policy and/or strategy) will also be subject to the SFC's prior approval except for the related administrative changes (eg, update on the address of the newly appointed management company in the offering documents, change of logo of the management company provided that such change is not misleading to investors). As such, applicant should properly set out the consequential changes to the relevant scheme changes in a clear and succinct manner in the relevant application form for authorization of the revised offering documents.
14.	Does an SFC-authorized UCITS fund require the SFC's authorization of the revised offering documents which solely reflects scheme changes that are not subject to the SFC's prior approval?	No. Further authorization of the revised offering documents of an existing SFC-authorized UCITS fund is not required to be obtained from the SFC to the extent they solely reflect changes that are not subject to the SFC's prior approval. Nevertheless, the revised offering documents should be filed with the SFC pursuant to 11.1B of the UT Code together with a properly completed "Filing Form for Revised Offering Documents that Incorporate Changes Falling within 11.1B of the Code on Unit Trusts and Mutual Funds (UT Code) and Do Not Required SFC's Prior Approval". Whilst the SFC's prior approval is not required for such revised offering documents, management company of the SFC-authorized UCITS fund should ensure the disclosure in the offering documents (including the KFS) is up-to-date, not misleading and contains information necessary for investors to be able to make an informed judgement. Where the management company issues notices which contain information that affects the

	Question	Answer
		disclosure in the offering documents of the SFC-authorized UCITS fund, the management company should update the offering documents with such information as soon as reasonably practicable. In the event that the offering documents are yet to be updated, the offering documents are expected to be accompanied by such notices. The management company should make appropriate arrangements with its distributors and the Hong Kong Representative (if applicable) to provide the offering documents together with copies of the relevant notices to investors.

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