



Mainland-Hong Kong Mutual Recognition of Funds Symposium

Hong Kong, 3 July 2015

The Securities and Futures Commission (SFC) hosted the Mainland-Hong Kong Mutual Recognition of Funds (MRF) [Symposium](#) on 3 July to provide the industry with further regulatory information about the [landmark scheme](#). Senior executives from the SFC, the China Securities Regulatory Commission (CSRC) and the State Administration of Foreign Exchange (SAFE) delivered briefings on the scheme's regulatory highlights and answered questions posed by the audience. A panel comprised of industry representatives discussed the opportunities and challenges presented by the MRF scheme. The half-day event was attended by over 500 Hong Kong and Mainland representatives from the fund management industry as well as industry associations, legal and accounting firms, regulatory bodies, chambers of commerce and foreign consulates.

A connected fund market for Asia is the goal

In his opening remarks, Mr Ashley Alder, SFC Chief Executive Officer, emphasised the long-term significance of the MRF scheme. By allowing qualified funds in mainland China and Hong Kong to be sold directly into the other market, the scheme not only presents new business and investment opportunities for the asset management industry and investors, but also cements Hong Kong's status as a leading asset management centre in the Asia Pacific



Representatives from the CSRC's Department of Fund and Intermediary Supervision presented a detailed account of MRF policies and the product registration process. Details about the registration process for Hong Kong fund managers and document requirements were also provided. They also noted that Mainland authorities are now considering a proposal to provide clarity on the tax treatment for investors of the mutually recognised funds. (Click [here](#) for CSRC presentations).

A representative of SAFE's Capital Account Management Department pointed out that the scheme's aggregate quota of RMB300 billion each for both northbound and southbound trading is a straightforward mechanism which will keep things simple for the industry, investors and regulators. He also said that SAFE will soon announce details related to forex control measures to facilitate the implementation.

Opportunities and challenges

During the panel discussion moderated by Ms Julia Leung, Executive Director of the SFC's Investment Products Division, three industry representatives addressed the opportunities and challenges brought about by the MRF scheme. By way of introduction, Ms Leung said that in the past, the industry played a key role in testing out other pilot programmes and every time