

Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds

These FAQs aim to provide basic information to market practitioners concerning the application procedures for authorization of unit trusts and mutual funds 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 for any specific issues arising from the application/interpretation of the Handbook 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 mean (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; and
- MRF Jurisdictions refer to jurisdictions that have entered into mutual recognition of funds (MRF) arrangements with Hong Kong, which currently include Australia, France, Luxembourg, Mainland, Malaysia, the Netherlands, Switzerland, Taiwan China, Thailand and the United Kingdom.

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



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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, trustee/custodian, investment delegate of the 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.

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 (see Q.8 below) from the SFC.



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Jurisdiction; or (b) the investment delegate is an affiliate of the management company or is managing other SFC-authorized funds; and

v.





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10.	What is the expected overall processing time for new fund applications? Are there any time limits within which an applicant needs to respond to the SFC's requisitions (if issued)?	Applications under FASTrack will be processed with an aim that the SFC's authorization (if successful) will be granted within 10 business days from the Take-up Date. In cases where there are matters or changes in circumstances that may affect its assessment of the application after the Take-up Date, the SFC may raise appropriate requisitions for applicants to respond within 1 month. Standard Applications and Non-standard Applications will be processed with an aim that the SFC's authorization (if granted) will be given on an average within 1-2 months and 2-3 months respectively from the Take-up Date. Applicants are required to respond within the following time limits: (i) for Standard Applications, within 1 month from the date of first requisition⁵; and (i) for Non-standard Applications, within 14 business days from the date of first requisitions and within 10 business days for subsequent requisitions. To achieve the expected overall processing time, the applicants are expected to provide proper and quality submissions throughout the application process in a timely manner. For illustrations of the overall processing time for new fund application, applicants may



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		c. the board of directors of the scheme's management company; d. the head of the legal department or the compliance officer-in-charge of the management company or its Hong Kong representative who has overall responsibility for the compliance of the subject application; or e. such other person acceptable to the SFC. The person providing the confirmation must be fully conversant in the Chinese language or must certify that an individual who is fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the relevant Chinese documents has been appointed to do so. In the case where a translator is appointed by one of the above parties, the following should be submitted to us: (i) a confirmation issued by the party appointing the translator to certify that such translator is fully conversant in the Chinese language and competent to review and ensure the truth and accuracy of the relevant Chinese documents; and (ii) the Chinese translation confirmation issued by the translator confirming that the Chinese version of the offering document is a true and accurate translation of the English version of the same. You are reminded that the directors of the scheme or the management company are responsible for the information contained in the offering document as being accurate, regardless of the language of publication.

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