

Frequently Asked Questions

Frequently Asked Questions on Revamped Post Authorization Process of SFC-authorized Unit Trusts and Mutual Funds

This FAQ is prepared by the Investment Products Division and aims to provide basic information to market practitioners concerning the revamped post authorization process of SFC-authorized unit trusts and mutual funds. Applicants are encouraged to contact the Investment Products Division if in doubt on any specific issues arising from the application/interpretation of the Code on Unit Trusts and Mutual Funds effective on 1 January 2019. Please note that each application for authorization is considered on a case-by-case basis.

The information set out below is not meant to be exhaustive. This FAQ may be updated and revised from time to time. This FAQ is only for general reference. Compliance with all the requirements in this FAQ does not necessarily mean applications for the approval of post authorization changes (including scheme changes, termination, merger and withdrawal of authorization) and authorization of revised offering documents for SFC-authorized funds will be accepted or approval/authorization will be granted. The SFC reserves the rights to exercise all powers conferred under the law.

Note: 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 FAQ.

	Question	Answer
1.	When will the revamped post authorization procedures begin to apply?	The procedures set out in this FAQ will apply to all applications for the approval of post authorization changes (including scheme changes, termination, merger and withdrawal of authorization) and authorization of revised offering documents of SFC-authorized funds received by the SFC on or after (i) 1 August 2017 (the , being the effective date or adoption date



	Question	Answer
2.	What should I submit in order for the SFC to start processing my application(s) under the Revamped Post Authorization Process?	Under the Revamped Post Authorization Process, an application will only be processed by the SFC when all relevant documents that meet the applicable requirements and are of good quality have been submitted via e-IP¹. These documents include: • properly completed new application form(s) (); • duly executed confirmations (standardised templates for confirmations are set out in the List of Confirmations of Compliance related to Application for Approval of Scheme Change(s) pursuant to 11.1 of the Code on Unit Trusts and Mutual Funds (UT Code) and in respect of Recognised Mainland Funds (as defined below), the List of Confirmations of Compliance related to Recognised Mainland Funds; and • all the necessary supporting documents. To apply for the authorization of revised offering documents, the following documents should be submitted to the SFC via e



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	which contains disclosure guidance revised offering documents. For funds that have made substantial amendments or a series of changes to its offering documents, you are advised to consolidate these amendments in one single offering document and seek authorization for the consolidated version for ease of understanding by investors. Our requirements for processing amendments to constitutive documents are substantially the same as above. If the SFC is not satisfied with the completeness or sufficiency of the information



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		ETFs)) relating to the application. In general, all applications which are not deemed to be Complex Applications will be processed as Simple Applications.
3B.	Are there any application processing time limits and response time limits under the	are subject to different overall processing time to complete the applications and response time limits that are imposed on the applicants in providing proper, complete and substantive responses requisitions during the process. Unless SFC authorization or approval is granted within 14 business days from the date of receipt of the application, processing of Simple Applications and Complex Applications will be subject to a maximum period of 2-month and 6-month processing time respectively from the issue of the First Requisition by the SFC . In the First Requisition (and the subsequent requisition(s) issued by the SFC (if be submitted to the SFC in response to its requisition(s). During the application process, applicants must meet the applicable Response Time Limits as set out below in addressing all the outstanding issues:- i. For Simple Applications, the applicants should provide proper, complete satisfaction within 2 months from the date of the First Requisition, which is the Lapse Period; and ii. For Complex Applications, the applicants are required to (a) provide proper, complete and substantive response(s) to the SFC within 14 business days from the date of the First Requisition; and (b) provide proper, complete and substantive response(s) to all f any)



	Question	Answer
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operative manner. Therefore, where an applicant has not responded or provided the

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9.	Will the SFC extend the time period for fulfilment of the Conditions by the applicant for an Approval / Authorization to become effective beyond 2 months from the date of the Approval / Authorization Letter?	In general, the SFC will require fulfilment of the relevant Conditions within 2 months from the date of the Approval / Authorization Letter issued by the SFC. The SFC may consider to extend the time for fulfilment of relevant Conditions upon the submission of proper justification by the applicant. For example, extended period(s) may be agreed by the SFC on the grounds that in the case of a fund primarily regulated by an overseas regulator, additional time is required change(s) and/or offering documents.
10.	Will the application relating to approved pooled investment funds offered to retail investors be subject to the Revamped Post Authorization Process? What does the applicant need to submit to obtain Approval / Authorization to become effective?	Yes. The application relating to approved pooled investment funds offered to retail investors will also be subject to the two-stream approach, the respective applicable Response Time Limit(s) and the Lapse Policy as mentioned above. However, as the post authorization applications relating to approved pooled investment funds offered to retail investors also require the approval/authorization from the Mandatory Provident Fund Schemes Authority MPFA , an approval



	Question	Answer
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11. Under what circumstances will the AIP granted by

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	Form for Scheme Change(s) to reflect submission of multiple scheme changes comprising	Application. Where multiple scheme changes are set out in the same draft notice submitted to the SFC, applicant should: • annotate the proposed scheme change(s) that falls under Complex Application (on a standalone basis) and all the related information in the draft notice; and • set out the salient terms of the proposed scheme change(s) that fall under Simple Application (on a standalone basis) as required in the Application Form for Scheme Change(s).
14.	How would the application be processed if the applicant withdraws one or some of the proposed scheme change(s) and/or revision(s) to the offering documents from the initial submission during the application process?	In general, the SFC expects the applicant to include all the proposed scheme changes and/or related revisions to the offering documents in the initial submission as timely and quality submission is key to an efficient approval process. However, applicants may request in writing to withdraw one or some of the proposed scheme change(s) and/or revision(s) to the offering documents from the initial submission supported by proper and reasonable explanation. Applicants must clearly indicate the proposed scheme change(s) and any related / consequential changes to be withdrawn and submit the amended executed application form(s) reflecting the proposed change(s) that remain in the application. Such withdrawal will not affect the processing of the remaining change(s) in accordance with the initial timeframe i.e. the application will still be subject to the Response Time Limit(s) and Lapse Period applicable to the initial submission. Any subsequent application for approval of the withdrawn change(s) will be treated as a new application whereupon the whole application procedure will be repeated and will also be subject to the - , the respective applicable Response Time Limit(s) and the Lapse Policy as mentioned above.

15.

notifying holders of proposed changes to the SFC-



Question	Answer
application for approval of 11.1 Scheme Changes comment on the draft Notice(s)?	manner, under the Revamped Post Authorization Process,



Question	Answer
revising only the Hong Kong wrapper, is the revised offering documents subject to home	overseas prospectus which may require approval from (4-005)2015-4207810-01

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		certain post authorization documents (including the application forms and filing forms) in e-IP. Please refer to section 4.1.2.5. entitled e-IP (Investment Products Division) User Guide for details. For other post authorization 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 Documents , which are required to be completed, as applicable, by a fund manager, trustee/custodian, investment delegate of the fund or other parties, provided that the Relevant Documents shall be submitted with an email confirmation or other equivalents (from a person who meets the signatory requirements) that all information and, where applicable, confirmations and undertakings contained in the Relevant Documents (and all documents submitted relating thereto) are true and accurate. Option 2: A fund manager may submit scanned copies of the Relevant Documents signed by a person who meets the signatory requirements.

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