



7. As of 18 March 2024, there was 1 Public Fund, 42 Exempt Funds and 68 Qualified Investor Funds according to the FSRA public register⁵. Set out below are some key features of the regulatory regime for Domestic Funds:
- **Public Funds** – An application for the registration of a Public Fund must be made to the FSRA by the fund manager (or the trustee and the fund manager in the case of an investment trust). The fund manager shall produce a prospectus in accordance with the requirements as set out in the Fund Rules⁶ and file a copy of the prospectus with the FSRA for review and approval by the FSRA prior to registration. Public Funds receive a higher level of regulatory scrutiny.
 - **Exempt Funds and Qualified Investor Funds** – The fund manager of an Exempt Fund or a Qualified Investor Fund shall notify

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- (b) a person who is authorised by, or registered with, a financial services regulator in a Zone 1 jurisdiction or recognised jurisdiction (both Zone 1 and recognised jurisdictions include Hong Kong) to carry on an equivalent activity in that jurisdiction.
10. FSRA's Fund Rules apply additional requirements concerning the establishment and management of a Domestic Fund by a foreign fund manager. Interested Hong Kong fund managers seeking to establish a Domestic Fund in ADGM are encouraged to contact the FSRA directly.

II. Offering of Foreign Funds in ADGM

What are the requirements for Foreign Funds (such as Hong Kong funds) to be marketed in ADGM?

11. Any firm that holds a licence by the FSRA for advising on investments and arranging investments in respect of units in a collective investment fund may market and sell the units of a Foreign Fund (eg, Hong Kong domiciled funds) in or from the ADGM, provided that:
- (a) it notifies the FSRA within 30 days of the commencement of the marketing activity;
 - (b) it does not sell units of the Foreign Fund to a retail client unless it is permitted to deal with retail clients and the foreign fund can be sold to retail clients in its home jurisdiction; and
 - (c) certain prospectus requirements⁸ for the Foreign Fund are met.
12. Given that the FSRA regulates and supervises the FSRA-licensed firms that market the Foreign Funds in or from the ADGM, the Foreign Funds and their managers do not require registration or approval from the FSRA. However, the FSRA-licensed firms need to provide notification to the FSRA regarding the Foreign Funds.

What are the possible routes for Hong Kong fund T EMC pre

What needs to be done to benefit from the regime?

18. Fund managers, agents and other licensed persons should ensure that they are appropriately authorised by their home regulator in the UAE to conduct the applicable activity before seeking to passport to host jurisdictions. In addition, they need to pay the applicable fees to the home regulator: (a) a notification fee and (b) an annual fee.
19. Following notification, the home regulator and host regulator(s) will update their respective registers of passported funds to recognise that the domestic fund qualifies as a “passported fund”.
20. If the passported fund is a private fund, it can only be promoted to “qualified investors” (in the ADGM, DIFC and mainland UAE), pursuant to the applicable definitions in the relevant passporting rules. On the contrary, a passported fund that is a public fund may be offered to any person in the host jurisdiction(s).
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