



香港財經分析師學會
THE HONG KONG SOCIETY OF FINANCIAL ANALYSTS

22 Aug 2019

Sent by Email and Post

Financial Services Branch
Financial Services and the Treasury Bureau
24/F, West Wing, Central Government Offices
2 Tim Mei Avenue, Tamar, Hong Kong

Dear Sirs / Madams,

Re: Proposals to establish a Limited Partnership Regime for Funds

HKSFA is of the view that continuous improvement in the capital market infrastructure is of utmost importance to promote Hong Kong as a premier international and wealth management center in the Asia Pacific region. With the increased popularity of PE funds and thriving IPO markets for PE-backed companies from Mainland China, we believe that the proposed Limited Partnership Fund Regime should bring Hong Kong to the next level of financial success.

For the captioned paper, we have the following suggestions for your considerations:

- If the general partner shall be a private company incorporated in Hong Kong, it should also be SFC type 9 licensed;
- If GP has to be SFC licensed, then the registration of a LPF will remain valid subject to filing of an annual return to the RoC and the SFC by the GP on behalf of the fund;
- GP should have the discretion to decide whether to appoint an investment manager;
- Investment manager appointed should be properly licensed under SFC or other comparable overseas regulators;
- There should be at least one limited partner independent from the GP and all limited partners should be professional investors;
- What are the maximum number of general partners and limited partners allowed in a LPF?
- To protect limited partners interest in the beginning of this new fund structure, the RoC should provide a template of the LPF which states the key aspects that must be included in the contract (i.e. Fund name, investment scope, fund duration, contribution partners and commitments, LP's rights, GP's responsibilities, fees and cost, fund accounting, fund reporting etc.)

Thank you for your attention.

Yours sincerely,
For the on behalf of
The Hong Kong Society of Financial Analysts

Charles Chui, CFA
Co-chair, Advocacy Committee

Claudius Tsang, CFA
Co-chair, Advocacy Committee