Frequently Asked Questions on Thailand-Hong Kong Mutual Recognition of Funds and Hong Kong Feeder Fund Investing in Thai Master Fund

These frequently asked questions (FAQs) are prepared by the Investment Products Division to provide guidance to market practitioners regarding the Thailand-Hong Kong Mutual Recognition of Funds (MRF) scheme and SFC-authorized Hong Kong domiciled feeder funds that invest in Thai master funds. Firms are encouraged to contact the relevant case team in the Investment Products Division if they are in doubt on any specific issues arising from the application/interpretation of the matters relating to the MRF or the abovementioned feeder funds.

The information set out below is not meant to be exhaustive. These FAQs may be updated and revised from time to time. These FAQs are only for general reference. Compliance with all the requirements in these FAQs does not necessarily mean that an application will be accepted or an authorization will be granted. The SFC reserves the rights to exercise all powers conferred under the law.

Unless otherwise defined herein, all capitalised terms shall have the meanings given to them in (i) the Memorandum of Understanding between the SFC and the Securities and Exchange Commission of Thailand (SEC) concerning Mutual Recognition of Covered Funds and Covered Management Companies and related Cooperation dated 20 January 2021, as amended from time to time; (ii) the Circular on Mutual Recognition of Funds between Thailand and Hong Kong issued by the SFC on 20 January 2021, as amended from time to time (SFC Circular); and (iii) the Circular on Mutual Recognition of Funds between Hong Kong and Thailand issued by the SEC on 20 January 2021, as amended from time to time (SEC Circular).

	Question	Answer
Section A: Thailand-Hong Kong Mutual Recognition of Funds		
1.	How should Thai Covered Funds that would like to seek SFC authorization submit their applications?	New applicants without an e-IP Managing Company account have to contact the SFC's Investment Products Division to create an account before making an

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		application via e-IP[1]. For further details, please refer to section 2 (Access to Corporate Administration (for e-IP)) of the User Guide: Corporate Administration (for e-IP). To start an application, you have to submit to us via e-IP: a. a duly signed and completed **Application Form**; b. a duly signed and completed **Information Checklist** (http://www.sfc.hk/web/EN/forms/products/forms.html); c. advanced draft of the Thai Covered Fund's offering documents (including the product key facts statement(s)) and, where applicable, marked up against the latest version filed with the SFC; d. constitutive documents of the Thai Covered Fund(s) (where applicable, under the circumstances as set out in Chapter 2 of the Guide (as defined below)); e. documents (including any confirmations and/or undertakings) required to be submitted pursuant to the Information Checklist; and f. the application fee (see Q.2 of the FAQs on Application Procedures for Authorization of Unit Trusts and Mutual Funds). In preparation for their applications, applicants should also refer to the "Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds" ("Guide") which is posted on the SFC's website for necessary information and reference. Applicants should submit soft copies of the application documents via e-IP to the Investment Products Division. As provided under paragraph 39 of the SFC Circular, applicants shall request the SEC to provide directly to the SFC a certificate confirming that the Eligibility Requirements listed in Annex B to the SFC Circular are met ("SEC Eligibility

[1] Please refer to the circular entitled "Circular on launch of e-IP application/submission system on WINGS" dated 8 July 2024.

	Question	Answer
		Certificate"). The SFC will not take up the application if no such certificate is received from the SEC. Therefore, before starting an application with the SFC, applicants should consult the SEC for the issuance of the SEC Eligibility Certificate. The SEC will notify the applicants upon the issuance of such certificate. In general, the Investment Products Division will issue a letter ("Take-up Letter") within 5 business days upon the receipt of the Application Form, the Information Checklist and all the necessary documents in support of the application, to inform the applicant that the SFC will process the application. The date of the Take-up Letter (i.e. the Take-up Date) is the date on which the SFC formally takes up the application. The application fee shall be paid upon submission of the application or as soon as practicable following submission. In any event, the application fee shall be paid before the letter of authorization is issued. Once an application is taken up, the application fee will not be refunded. A requisition letter might be issued by the SFC within 7 business days from the Take-up Date for any clarifications relating to the application. The SFC will grant authorization with conditions to a Thai Covered Fund within 21 calendar days from the Take-up Date, provided that the Thai Covered Fund meets all the applicable requirements set out in the SFC Circular and all outstanding issues are addressed to the satisfaction of the SFC by such time. During the application process, all changes to any subsequent draft documentation must be properly and comprehensively marked up to facilitate review by the SFC. During the vetting process, the SFC may from time to time request for the submission of additional supporting information or documents which it deems necessary for facilitating its consideration as to whether authorization should be granted. If the investment delegate of a Thai Covered Fund is not currently managing other existing SFC-authorized fund(s), early consultation with the SFC is strongly encouraged.

	Question	Answer
2.	What are the requirements for submitting documents and application fee in support of a new fund application to the SFC?	To commence an application, various documents, including, offering documents, duly signed and completed application form, information checklist and confirmations, as well as the application fee are required to be submitted to the SFC via e-IP. *A) Submission of application documents by soft copy* Applicants shall submit all application-related documents by soft copy only. The official receipt date of a new fund application shall be a business day on which the full and complete set of soft copy documents is received by the SFC via e-IP at or before 6 pm (after which the receipt date will be deemed as the following business day). *B) Signing of application documents* During the application process, you must complete the signing process for certain application documents (including the application form) in e-IP. Please see section 4.1.2.5. entitled – "Completing the signing process for the Ordinary Form(s) & Checklist(s) (where applicable)" of the e-IP (Investment Products Division) User Guide for details. For other application 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 information checklists, confirmations and other relevant documents (Relevant Forms), which are required to be completed, as applicable, by an applicant 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.

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		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 from the SFC.
3.	Who can issue marketing materials in respect of Thai Covered Funds? Will these marketing materials need SFC's prior authorization?	All advertisements and marketing materials in relation to a Thai Covered Fund issued in Hong Kong shall comply with the relevant Hong Kong Laws and Regulations, including but not limited to the requirements set out in the Advertising Guidelines Applicable to Collective Investment Schemes Authorized under the Product Codes issued by the SFC (https://www.sfc.hk/web/EN/rules-and-standards/codes-and-guidelines/guidelines). Thai Covered Funds should issue advertisements and marketing materials via a representative or distributor who is licensed or registered for Type 1, Type 4 or Type 6 regulated activity or based on other applicable exemptions under section 103 of the SFO. Such materials would not be subject to authorization/pre-vetting by the SFC but would be subject to post-vetting by the SFC. The representative or distributor should also take responsibility for the advertisements and marketing materials that it issues.
4.	Will the Hong Kong representative of a Thai Covered Fund be required to be licensed by the SFC?	To be eligible to act as a Hong Kong representative, the Code on Unit Trusts and Mutual Funds ("UT Code") requires that a Hong Kong representative must be (a) licensed or registered under the SFO; or (b) a trust company registered under Part VIII of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) and such company is an affiliate of an authorized financial institution defined under the SFO and is acceptable to the SFC. The UT Code does not mandate that the Hong Kong representative must be licensed or registered for any particular regulated activity. However, Hong Kong

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		representatives that carry on regulated activities under the SFO must be licensed or registered accordingly. For example, if the Hong Kong representative would like to distribute the Thai Covered Fund in Hong Kong, it would need to be licensed for Type 1 regulated activity. Please refer to Chapter 9 of the UT Code for further details.
5.	What are the language requirements for the Hong Kong offering documents of Thai Covered Funds?	The Hong Kong offering documents of Thai Covered Funds should be prepared in both English and Chinese. Applicants should submit the English version of the fund's Hong Kong offering documents at the time of application. The Chinese version of such offering documents should be submitted together with the Chinese translation confirmation(s) regarding the truth and accuracy of the Chinese translation (in prescribed form as set out in the Information Checklist for Application for Authorization of Thai Covered Funds under the Mutual Recognition of Funds Arrangement http://www.sfc.hk/web/EN/forms/products/forms.html) prior to the authorization becoming effective. The Chinese translation should take into account market practices and customary use of Chinese language in Hong Kong.
6.	If the constitutive documents and financial statements of Thai Covered Funds are prepared in Thai, are these documents required to be translated into English and Chinese when a Thai Covered Fund seeks SFC authorization?	The constitutive documents and financial reports of a Thai Covered Fund shall be made available to Hong Kong investors in either English or Chinese. The language in which these documents are made available to Hong Kong investors should be clearly disclosed in the Hong Kong offering documents.
7.	How should Thai Covered Funds prepare the product key facts statement ("KFS")?	For the preparation of KFS, a Thai Covered Fund should refer to the respective KFS illustrative templates for General Funds or unlisted class of Active ETFs, Index

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		Funds or unlisted class of Passive ETFs, and Passive ETFs or ETF class of Index Funds (http://www.sfc.hk/web/EN/regulatory-functions/products/product-authorization/products-key-facts-statements.html) as appropriate for necessary guidance. In particular, the following statement is expected to be included in the KFS in an upfront and prominent manner: "This is a Thai fund authorized for public offering in Hong Kong pursuant to the Mutual Recognition of Funds between Thailand and Hong Kong arrangement."
8.	Will the Guide, as revised/updated from time to time, apply to Thai Covered Funds seeking SFC's authorization?	In preparation for their applications, applicants should also refer to the Guide (http://www.sfc.hk/web/EN/faqs/product-authorization/guide-on-practices-and-procedures-for-application-for-authorization-of-unit-trusts-and-mutual-funds.html). The Guide sets out detailed guidance for applicants to prepare their applications and comply with the requirements under the SFC Handbook, the UT Code and other applicable regulatory requirements as may be issued by the SFC from time to time. Among others, the Guide contains a set of disclosure guidance to facilitate applicants' preparation of their funds' offering documents. Applicants are encouraged to contact the relevant case team in the Investment Products Division if they have any questions.
9.	How should Hong Kong Covered Funds that would like to seek SEC's approval submit their applications?	Before starting an application with the SEC, an applicant should consult the SFC for the issuance of an eligibility certificate confirming that the Eligibility Requirements listed in Annex B to the SEC Circular are met ("SFC Eligibility Certificate") directly to the SEC pursuant to paragraph 39 of the SEC Circular. The SFC will notify the applicant upon the issuance of such SFC Eligibility Certificate to the SEC.

	Question	Answer
Section B: Hong Kong Feeder Fund Investing in Thai Master Fund		
10.	Can a Hong Kong domiciled feeder fund ("Hong Kong Feeder Fund") that falls under 7.12 of the UT Code invest in a Thai domiciled fund as its master fund? If so, how should the Hong Kong Feeder Fund submit the application for the SFC's authorization?	A Hong Kong Feeder Fund may invest in a Thai domiciled fund that is eligible for MRF and meets the requirements set out in the SFC Circular ("Eligible Thai Master Fund") as its master fund. Apart from the basic documents required for the applications for authorization of unit trusts and mutual funds in respect of both the Hong Kong Feeder Fund and the Eligible Thai Master Fund (see Q1 of the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds), the management company of the Eligible Thai Master Fund shall request the SEC to provide directly to the SFC an SEC Eligibility Certificate in respect of the Eligible Thai Master Fund. The SFC will not take up the application if no such certificate is received from the SEC. Therefore, before starting an application with the SFC, the management company of the Eligible Thai Master Fund should consult the SEC for the issuance of the SEC Eligibility Certificate. The SEC will notify the management company of the Eligible Thai Master Fund upon the issuance of such certificate. In general, the Investment Products Division will issue a Take-up Letter within 5 business days upon the receipt of the Application Form, the Information Checklist and all the necessary documents in support of the application, to inform the applicant that the SFC will process the application. The date of the Take-up Letter (i.e. the Take-up Date) is the date on which the SFC formally takes up the application. The application fee shall be paid upon submission of the application or as soon as practicable following submission. In any event, the application fee shall be paid before the letter of authorization is issued. A requisition letter might be issued by the SFC within 7 business days from the Take-up Date for any clarifications relating to the application. The SFC will grant authorization with conditions to a Hong Kong Feeder Fund investing in an Eligible

	Question	Answer
		Thai Master Fund within 21 calendar days from the Take-up Date[2], provided that the Hong Kong Feeder Fund meets all the applicable requirements set out in the UT Code (subject to question 11 below) and the SFC Circular and all outstanding issues are addressed to the satisfaction of the SFC by such time. During the application process, all changes to any subsequent draft documentation must be properly and comprehensively marked up to facilitate review by the SFC. During the vetting process, the SFC may from time to time request for the submission of additional supporting information or documents which it deems necessary for facilitating its consideration as to whether authorization should be granted. If the fund manager and/or the trustee/custodian of the Hong Kong Feeder Fund, and/or the investment delegate of the Eligible Thai Master Fund, is/are not currently acting in its relevant capacity for existing SFC-authorized fund(s), early consultation with the SFC is strongly encouraged.
11.	What are the applicable requirements under the UT Code for a Hong Kong Feeder Fund investing in an Eligible Thai Master Fund as its master fund?	In general, a feeder fund should comply with the requirements under 7.12 of the UT Code in addition to other requirements applicable to funds under Chapter 7 of the UT Code. Given that Eligible Thai Master Funds, which meet the requirements set out in the SFC Circular, are generally considered as having complied in substance with the relevant requirements under the UT Code, a Hong Kong Feeder Fund investing in an Eligible Thai Master Fund, with SEC Eligibility Certificate issued by the SEC, as its master fund will be deemed to have complied with 7.12(b)(ii) and 7.12(e) of the UT Code.

[2] The SFC will also grant authorization with conditions to the Eligible Thai Master Fund within 21 calendar days from the Take-up Date provided that all outstanding issues are addressed to the satisfaction of the SFC by such time.

	Question	Answer
12.	If a Thai domiciled feeder fund seeks to invest in a Hong Kong domiciled fund that is eligible for the MRF and meets the requirements set out in the SEC Circular ("Eligible HK Master Fund"), what should the Eligible HK Master Fund do?	The management company of the Eligible HK Master Fund should consult the SFC for the issuance of the SFC Eligibility Certificate. The SFC will notify the management company of the Eligible HK Master Fund upon the issuance of such SFC Eligibility Certificate to the SEC.

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