

17 September 2025

Mutual Recognition of Funds (MRF) between the United Arab Emirates (UAE) and Hong Kong

1. The Securities and Futures Commission (SFC) and the Securities and Commodities Authority (SCA) signed a memorandum of understanding concerning mutual recognition of investment funds and investment management companies and related cooperation (Memorandum) on 17 September 2025 (as amended from time to time).
2. In this circular, “Hong Kong Investment Fund” refers to a Hong Kong domiciled fund that is eligible for or has received SCA authorisation under MRF, while “Hong Kong Investment Management Company” refers to a Hong Kong investment management company that is eligible to manage Hong Kong Investment Funds.

General principles

3. MRF operates on the principles that, in respect of a SFC-authorized Hong Kong Investment Fund that is seeking or has received authorisation for offering to the public in the UAE:
 - (a) the Hong Kong Investment Fund shall meet the eligibility requirements in accordance with this circular and comply with all of the applicable requirements set out in this circular;
 - (b) the Hong Kong Investment Fund shall remain authorised by the SFC and be allowed to be offered, marketed and distributed to retail investors in Hong Kong;
 - (c) the Hong Kong Investment Fund shall operate and be managed in accordance with the relevant laws and regulations in Hong Kong and its offering documents;
 - (d) the sale and distribution of the Hong Kong Investment Fund in the UAE shall comply with the applicable laws and regulations in the UAE;
 - (e) where relevant, the Hong Kong Investment Fund and the Hong Kong Investment Management Company shall comply with the additional rules released by the SCA, governing the authorisation, post-authorisation and ongoing compliance in the context of the offering, marketing and distribution of the Hong Kong Investment Fund to the public in the UAE;
 - (f) the Hong Kong Investment Management Company of the Hong Kong Investment Fund shall ensure that investors in both the UAE and Hong Kong receive fair treatment, including in respect of investor protection, exercise of rights, compensation and disclosure of information;
 - (g) ongoing disclosure of information on the Hong Kong Investment Fund shall be made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions).

4. In general, funds that are seeking or have received SCA authorisation for offering to the public in the UAE must comply with Section 3: Business Practice, Chapter Five: Practicing Financial Activity of The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (SCA Rule Book). Based on the principles set out above, if a Hong Kong Investment Fund complies with the relevant Hong Kong laws and regulations and the conditions as set out in this circular, it is generally deemed to have complied in substance with the relevant UAE laws and regulations and will enjoy a streamlined process of authorisation for offering to the public in the UAE.
5. In view of the differences between the regulatory regimes in Hong Kong and the UAE, to ensure proper investor protection and consistency with the current UAE regime for authorised retail funds, this circular sets out the additional requirements with which a Hong Kong Investment Fund must comply when applying for SCA authorisation for offering to the public in the UAE under the Memorandum, as well as other requirements which a Hong Kong Investment Management Company and a Hong Kong Investment Fund must observe after obtaining SCA authorisation. The SFC will issue a separate circular regarding the authorisation of eligible UAE funds for public offering in Hong Kong.

Eligibility requirements and types of eligible funds

6. The eligibility requirements are set out in Annex A in this circular.
7. Hong Kong Investment Funds applying for SCA authorisation must fall within at least one of the following eligible fund types:
 - (a) General equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) Feeder Funds;
 - (c) Unlisted index funds;
 - (d) Exchange Traded Funds (ETFs)¹.

The SFC and SCA may consider extending the MRF to other types of funds in future in accordance with the Memorandum.

8. The Hong Kong Investment Management Company that is seeking SCA authorisation must indicate to the SCA the fund type(s) in paragraph 7 above which the Hong Kong Investment Fund falls within.
9. All Hong Kong Investment Funds must comply with the requirements set out under the "Requirements applicable to all Hong Kong Investment Funds" section below.

¹ In case of active ETFs, such ETFs must be non-complex investment products. The factors in determining whether an investment product is complex are set out in paragraph 6.1 of the Guidelines on Online Distribution and Advisory Platforms issued by the SFC.

Requirements applicable to all Hong Kong Investment Funds

10. To ensure proper investor protection and consistency with the existing UAE regime for authorised retail funds, all Hong Kong Investment Funds are required to comply with requirements set out below.
11. Each Hong Kong Investment Fund must appoint a SCA licensed promoter firm in the UAE as its representative.

Operational and ongoing requirements

Home jurisdiction supervision

12. The Hong Kong Investment Fund must, on an ongoing basis, remain authorised by the SFC for offering to the public in Hong Kong. The Hong Kong Investment Management Company of the Hong Kong Investment Fund must also remain licensed by or registered with the SFC for Type 9 regulated activity (asset management) in accordance with Part V of the Securities and Futures Ordinance (SFO). Both the Hong Kong Investment Fund and its Hong Kong Investment Management Company must be subject to ongoing regulation and supervision by the SFC.

Changes to Hong Kong Investment Funds

13. Changes to a Hong Kong Investment Fund must be made in accordance with the applicable UAE and Hong Kong laws and regulations and the provisions of its offering documents.
14. Any proposed changes to a Hong Kong Investment Fund that require the SCA's prior approval pursuant to the definition of "Material change" or "Important change" in Resolution No. (01/Chairman) of 2023 and revisions made to its offering documents relating to such changes must be submitted by its Hong Kong Investment Management Company for approval by the SCA. These changes may take effect only upon approval by the SCA and compliance with any relevant notice requirement.
15. Any proposed changes to a Hong Kong Investment Fund that do not require the SCA's prior approval pursuant to the definition of "Changes subject to notification" in Resolution No. (01/Chairman) of 2023 and revisions made to its offering documents relating to such changes must be notified with the SCA and comply with the relevant requirements set out in Resolution No. (01/Chairman) of 2023.
16. Investors in the UAE and Hong Kong must be notified at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions) about any changes to the Hong Kong Investment Fund by the Hong Kong Investment Management Company. Equal treatment should be given to investors in both jurisdictions in terms of the form which that notice takes.
17. For avoidance of doubt, changes that render the Hong Kong Investment Fund ineligible under this MRF (for example, the fund changes strategy and no longer meets the eligible fund type definition) and revisions made to its offering documents relating to

such changes require the SCA's prior approval. The Hong Kong Investment Management Company must notify such changes to the SCA and the SFC as soon as possible.

Breach

18. In the event of a breach of Hong Kong domestic laws or the requirements set out or referred to in this circular, which is notifiable to the SFC and could affect UAE investors in a Hong Kong Investment Fund, the Hong Kong Investment Management Company must endeavour to notify the SFC and report to the SCA at the same time and rectify the breach promptly. The Hong Kong Investment Management Company will notify the SCA once the breach has been rectified.
19. Following SCA authorisation of a Hong Kong Investment Fund, if a Hong Kong Investment Fund ceases to meet the requirements set out in this circular, its Hong Kong Investment Management Company must notify the SCA immediately. The Hong Kong Investment Fund must not continue its offering to the public in the UAE or accept subscriptions from investors in UAE without the SCA's prior approval.

Withdrawal of authorisation

20. Following SCA authorisation of a Hong Kong Investment Fund, if its Hong Kong Investment Management Company no longer wishes to maintain the authorisation of the fund, it should apply for withdrawal of authorisation of the fund from the SCA and provide notice to UAE investors of its intention not to maintain such authorisation in accordance with the relevant UAE laws and regulations.
21. The SCA may at any time review its authorisation of a Hong Kong Investment Fund and may modify, add to or withdraw any of the conditions of such authorisation, or withdraw the authorisation, as it considers appropriate.

Sale/distribution, offering documents, ongoing disclosure and advertisements

Sale/distribution

22. The sale and distribution of a Hong Kong Investment Fund in the UAE must be conducted by intermediaries properly licensed by or registered with the SCA and must comply with the relevant UAE laws and regulations relating to the sale and distribution of funds. These intermediaries in the UAE are referred to as "Local Promoters". Local promoters must fulfil certain requirements as well as fulfill ongoing obligations pursuant to The Chairman of the Authority's Board of Directors' Decision No.(13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Section 3: Business Practice, Article (6) Promoting Financial Products, Second: General Obligations of the Promoter

Offering documents

23. The disclosure of information relating to a Hong Kong Investment Fund must be complete, accurate, fair, clear, and effective. It must be easily understood by investors.

24. The offering documents of a Hong Kong Investment Fund must be up-to-date and contain information necessary for investors to make informed judgement of the investment proposed to them.
25. A Hong Kong Investment Fund may use the offering documents authorised by the SFC. Unless otherwise provided for in this circular, matters such as the type of documents, content, format, frequency of update and the updating procedures must comply with the applicable Hong Kong laws and regulations and the requirements set out in its offering documents. The SFC-authorized offering document may be supplemented by a UAE covering document to comply with the disclosure requirements set out in Annex A to this circular². The UAE covering document should also disclose any other information which may have a material impact on investors in the UAE. The UAE offering documents shall not contain any information that would be inconsistent with the offering documents approved by the SFC and/or inaccurate/misleading regarding the Hong Kong Investment Fund.
26. The Hong Kong Investment Management Company of a Hong Kong Investment Fund must take reasonable steps and measures to ensure that any updated offering documents and their changes are made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions).

Ongoing disclosure

27. The Hong Kong Investment Management Company of a Hong Kong Investment Fund must take reasonable steps and measures to ensure that the ongoing disclosure of information of the Hong Kong Investment Fund (including periodic financial reports, notices and announcements) is dispatched and made available to investors in the UAE and Hong Kong at the same time (so far as is reasonably practicable given the different time zones and public holidays of the jurisdictions) and, in the case of suspension of dealings, immediately notify the SCA. A Hong Kong Investment Fund must, on an ongoing basis, disclose any other information which may have a material impact on investors in the UAE.
28. A Hong Kong Investment Fund may use its Hong Kong financial reports as the basis for distribution in the UAE, provided that the reports are supplemented by the additional information and meet SCA requirements. The SCA requires financial reports to be in the English language.

Language

29. The offering documents and notices to UAE investors of a Hong Kong Investment Fund must be provided in English.

² A disclosure requirement in Annex A to this circular would be considered met if the relevant disclosure is already included in the offering document authorised by the SFC. The Hong Kong Investment Management Company does not need to duplicate the disclosure in the UAE covering document.

30. The financial reports of a Hong Kong Investment Fund must be made available to UAE investors in English. The language in which these documents are made available to UAE investors should be clearly disclosed in the offering documents.

Advertising

31. All advertisements in relation to a Hong Kong Investment Fund offered in the UAE must comply with the relevant UAE laws and regulations under Article (6), Resolution No. (01/Chairman) of 2023, which requires the SCA's prior approval for any advertisements.

Fees

32. For offering to the public in the UAE, the Hong Kong Investment Fund/ Hong Kong Investment Management Company will be subject to the applicable application fees, Registration fees and Renewal fees. The Hong Kong Investment Management Company must ensure that any SCA invoiced periodic fees in respect of the Hong Kong Investment Fund are paid.

Application process

33. The SCA understands that this marks the first time Hong Kong Investment Funds may seek authorisation from the SCA. The SCA therefore encourages applicants to consult the Investment Funds and products section early for any clarification or guidance as to how the relevant requirements may apply and be complied with in light of their specific circumstances.
34. The SCA may issue other circulars, frequently asked questions and other documents on its website from time to time to provide practical guidance to the industry. Please refer to the SCA's website for updates.
35. Applicants shall request the SFC to provide directly to the SCA a certificate from the SFC confirming that the Eligibility Requirements of a fund are met. The SCA will not take up the application if no such certificate is received from the SFC.
36. Further details of the MRF application process for a Hong Kong Investment Fund seeking SCA authorisation are available on the SCA's website.

Securities and Commodities Authority

Annex A

Requirements in the Resolution No. (01/Chairman) of 2023 as well as SCA Rule Book

| | Relevant provisions in the Regulations |
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| 1. General requirements | |
| SCA Disclaimer | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of Resolution No. (01/Chairman) of 2023 |
| Self-managed Funds | Article (3) General provisions of Resolution No. (01/Chairman) of 2023 |

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| 2. Operational requirements | |
| Investment Fund documentation, pricing, issue and redemption of units/shares, fees | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of Resolution No. (01/Chairman) of 2023 |
| Valuation and pricing, pricing errors, suspension and deferral of dealings | Article (11) Administrative Services of Investment Funds, Chapter 5 Section 3: Business Practice of SCA Rule Book |

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| 3. Disclosure requirements in relation to offering documents | |
| Language | English |
| General obligations | Third: The Promoter's Obligations Relating to the Information provided to its client upon Promotion: Article 6, Chapter 5, Section 3: Business Practice of SCA Rule Book Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of , Resolution No. (01/Chairman) of 2023 |
| Product key facts statement | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of, |



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| | Resolution No. (01/Chairman) of 2023 |
| Use of disclaimers | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of, Resolution No. (01/Chairman) of 2023 |
| Complaints handling | Paragraph 23 of the First section under Article (10) of Chapter 5 , Section 3 Business Practice of SCA Rule Book |
| Use of financial derivative instruments for investment purpose | Para graph 2 under the First sub-section under the section headed "First: Securities Investment Fund" in Appendix No. (2) Types of Investment policies of a Local Fund of Resolution No. (01/Chairman) of 2023 The SCA will accept Hong Kong Investment Funds that invest in derivatives up to the limits specified by the SFC in the Code on Unit Trusts and Mutual Funds (UT Code). |
| Information to be disclosed in the offering document | Appendix No. (1) Information in the Offering Document and offering document summary (KIID) of Resolution No. (01/Chairman) of 2023 |

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| 4. Disclosure and reporting requirements | |
| Investment Fund changes, | Articles 1 and 21 of Resolution No. (01/Chairman) of 2023. |
| Notifications, | Articles 1, 5, 8, 13, 19, 21, 24, 27, 28, 35, 36, 38, 39, 40 and 41 of Resolution No. (01/Chairman) of 2023 |
| Ongoing disclosures, reporting, | Articles (13 - fourth 1), 15 of Resolution No. (01/Chairman) of 2023 |
| Withdrawal of authorisation | The SCA local promoter which is licensed by SCA need to submit a request to cancel the promotion of the fund. |
| Withdrawal of fund manager or board of directors of self-managed fund | Article 35 of Resolution No. (01/Chairman) of 2023 |
| Merger or termination (including share/unit consolidation and share/unit sub-division) | Articles 18,38- 41 of Resolution No. (01/Chairman) of 2023 |
| 5. Disclosure requirements in relation to financial reports | |
| Contents of financial reports | Chapter (2): Obligations and responsibilities of the local fund, Article (15) Local fund's reports of Resolution No. (01/Chairman) of 2023 |

Requirements in the Resolution No. (01/Chairman) of 2023 to be complied with by each specific type of Hong Kong Investment Funds

| | Relevant provisions in the Resolution No. (01/Chairman) of 2023 |
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| General equity funds, bond funds, mixed funds and funds that invest in other schemes | The section headed “First :Securities Investment Fund” (the “First Section”) and the section headed “Second: Debt Instruments” (the “Second Section”) of Appendix No. (2) Types of Investment policies of a Local Fund, except for requirements in respect of investment limit in securities issued by a single issuer and exposure to the same group, cash deposits made within the same group and limitations on securities in which the fund’s related parties have interests ³ , investment in unlisted securities ⁴ , government and other public securities and investment in other schemes ⁵ , investment in debt instruments ⁶ and borrowings ⁷ |
| Unlisted index funds and Exchange traded funds (ETFs) | Appendix No. (2) Types of Investment policies of a Local Fund, except for paragraph (2) and paragraph (3) under the section headed “Fourth: Exchange Traded Fund (ETF)” in this Appendix. |

³ This refers to paragraphs 1, 4, 5, 7 and 12(c) under the Second sub-section of the First Section.

⁴ This refers to paragraph 6 of the Second sub-section of the First Section.

⁵ This refers to paragraphs 11 and 12(a) and (b) of the Second sub-section of the First Section.

⁶ This refers to paragraphs 2 and 3 of the Second Section.

⁷ This refers to paragraph 3 of the Second sub-section of the First Section and paragraph 2 of the Second Section.

Eligibility Requirements

Hong Kong Investment Fund

1. The Hong Kong Investment Fund must be established, domiciled and managed in accordance with Hong Kong laws and regulations and its constitutive documents. It must be a collective investment scheme which is authorised by the SFC in accordance with Section 104 of the SFO for offering to the public in Hong Kong. .
2. The Hong Kong Investment Fund must fall within one of the following eligible fund types.
 - (a) general equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) feeder funds, where the underlying funds must be authorised by the SFC and fall within one of the fund types in paragraphs 2(a), (c) or (d) or this Annex and complies with the requirements in this circular; or
 - (c) unlisted index funds;
 - (d) Exchange traded Funds (ETFs)⁸;
3. The Hong Kong Investment Fund must not have share classes with hedging arrangements other than currency hedging.

Hong Kong Investment Management Company

4. The Hong Kong Investment Fund must be managed by a Hong Kong Investment Management Company that is licensed by or registered with the SFC for Type 9 regulated activity (asset management) in accordance with Part V of the SFO.

⁸ In case of active ETFs, such ETFs must be non-complex investment products. The factors in determining whether an investment product is complex are set out in paragraph 6.1 of the Guidelines on Online Distribution and Advisory Platforms issued by the SFC.

5. The Hong Kong Investment Management Company of a Hong Kong Investment Fund must not have been the subject of any major regulatory or enforcement actions taken by the SFC in the past three years or, if it has been established for less than three years, since the date of its establishment.

6. The Hong Kong Investment Management Company of a Hong Kong Investment Fund may delegate the investment management functions to any entity, provided that such delegation is accepted under Hong Kong laws and regulations for Hong Kong CIS authorised for public offering. The Hong Kong Investment Management Company remains responsible for any action of its delegate(s), and such delegate operates in one of the acceptable inspection regimes recognised under the regulations.

Hong Kong Investment Fund's depositary / custodian

7. The Hong Kong Investment Fund must have a depositary / custodian that is qualified to act as a depositary / custodian for Hong Kong CIS authorised for public offering.