

Annex A

Requirements in the Overarching Principles Section of the SFC Handbook (Overarching Principles Section) and UT Code to be complied with by all Irish Covered Funds¹³

	Relevant provisions in the Overarching Principles Section and UT Code
1. General requirements	
Mention of SFC authorisation	1.10 of the Overarching Principles Section
Naming of an Irish Covered Fund	5.1 and 5.2 of the Overarching Principles Section
Availability of constitutive documents	5.10(c) of the UT Code
Investment in other funds	7.11D of the UT Code
Jurisdiction	9.10 of the UT Code
Self-managed schemes	A self-managed scheme appointing an investment manager to manage UCITS must appoint an undertaking that is authorised or registered for the purpose of asset management and subject to prudential supervision or an undertaking located in a third country where cooperation between the CBI and the supervisory authorities of the third country concern is ensured in accordance with Regulation 23(1)(c),(d) of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, S.I. No. 352 of 2011 ("UCITS Regulations"). The appointed investment manager and the undertaking must be authorised by the CBI or operate in one of the acceptable inspection regimes recognised under 5.1 of the UT Code (which are provided for at https://www.sfc.hk/en/Regulatory-functions/Products/List-of-publicly-offered-investment-products/List-of-recognised-jurisdiction-schemes-and-inspection-regimes) ("AIR Delegate").

¹³ For the avoidance of doubt, Irish Covered Funds and the Irish Covered Management Companies should also comply with the Frequently Asked Questions (FAQs) on Ireland-Hong Kong Mutual Recognition of Funds and other relevant FAQs issued by the SFC from time to time, including, FAQs on Advertising Materials of Collective Investment Schemes Authorized under the Product Codes, FAQs on the Code on Unit Trusts and Mutual Funds, FAQs on Exchange Traded Funds and Listed Funds, FAQs on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds and FAQs on SFC Authorization of UCITS Funds.

2. Operational requirements	
Scheme documentation, pricing, issue and redemption of units/shares, fees	Chapter 6 of the UT Code, except for 6.6 – 6.8, and 6.15
Valuation and pricing, pricing errors, suspension and deferral of dealings, transactions with connected persons	Chapter 10 of the UT Code
3. Disclosure requirements in relation to offering documents	
Language	5.6 of the Overarching Principles Section
Product key facts statement	6.5 – 6.8 of the Overarching Principles Section and 6.2A of the UT Code
Use of disclaimers	6.12 of the Overarching Principles Section
Enquiries and complaints handling	7.4 of the Overarching Principles Section
Multimanager schemes	Notes (2) to 5.5(b) of the UT Code
Use of financial derivative instruments for investment purpose	8.9(j) of the UT Code
Information to be disclosed in the offering document	Appendix C to the UT Code, except for C2 (regarding Securities Financing Transactions) and C2A
4. Disclosure and reporting requirements	
Scheme changes, notifications, ongoing disclosures, reporting, withdrawal of authorisation, merger or termination	Chapter 11 of the UT Code, except for 11.1(a) and 11.6A
Other documents to be made available to Hong Kong investors as specified in the offering documents	Upon request by investors, specific information regarding these documents should be made available to Hong Kong investors in English or Chinese. Information regarding how investors can make such information requests should also be clearly disclosed in the Hong Kong offering documents
5. Disclosure requirements in relation to financial reports	
Notes to the accounts	Items 2 and 3(a) of the “Notes to the Financial Reports” Section of Appendix E to the UT Code

Requirements in the UT Code to be complied with by each specific type of Irish Covered Funds

	Relevant provisions in the UT Code
Feeder funds	7.12 of the UT Code
Unlisted index funds and passively managed index tracking ETFs	8.6, except for 8.6(a) to (a)(b), 8.6(b) to (c), 8.6(g) to (i) and 8.6(r) 8.8 of the UT Code, except for 8.8(c), 8.8(e) and 8.8(g) (if the net derivative exposure (as defined in Note to 7.26 of the UT Code) of the unlisted index fund and passively managed index tracking ETF exceeds 50% of its net asset value)
Listed open-ended funds (also known as active ETFs)	8.10 except for 8.10(b)

Annex B

Eligibility Requirements

Irish Covered Fund

1. The Irish Covered Fund must be established, domiciled and managed in accordance with Irish laws and regulations and its constitutive documents. It must be a UCITS which is formally authorised by the CBI in accordance with the UCITS Regulations.
2. The Irish Covered Fund must fall within one of the following eligible fund types¹⁴
 - a. general equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - b. feeder funds, where the underlying funds fall within one of the fund types in paragraphs 2(a), (c), (d) or (e) of this Annex and complies with the requirements in this circular; or
 - c. unlisted index funds;
 - d. passively managed index tracking ETFs;
 - e. listed open-ended funds (also known as active ETFs¹⁵).
3. The Irish Covered Fund must not use leverage (arising from derivatives) exceeding 100% of the fund's net asset value as calculated under the commitment approach provided by Schedule 9, paragraph 11(a) of the UCITS Regulations.
4. The Irish Covered Fund must not invest in (i) physical commodities including precious metals or commodity based investments or real estate, (ii) crypto-assets or crypto-currencies, or (iii) certificates representing the assets referred to under (i) or (ii).
5. The Irish Covered Fund must not have share classes with hedging arrangements other than currency hedging.
6. The Irish Covered Fund must have at least one dealing day for redemption every two weeks.

Irish Covered Management Company

7. The Irish Covered Fund must be managed by an Irish Covered Management Company that is authorised or regulated by the CBI to manage UCITS in

¹⁴ Please note that these are not legally defined categories. They have no statutory legal meaning but are merely indications. Irish Covered Funds shall need confirmation by the CBI that they fall within at least one of the eligible fund types during the application process..

¹⁵ Active 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.

accordance with the UCITS Directive. Alternatively the Irish Covered Fund may be a self-managed scheme.

8. The Irish Covered Management Company of an Irish Covered Fund must have paid up share capital and non-distributable capital reserves of HK\$10 million or its equivalent in Euro.
9. The Irish Covered Management Company of an Irish Covered Fund and their respective directors must not have been the subject of any of the following disciplinary actions taken by the CBI in the past three years or, if it has been established for less than three years, since the date of its establishment:
 - a. with respect to the Irish Covered Management Company:
 - a withdrawal of its authorisation by the CBI pursuant to the UCITS Directive;
 - a temporary ban on providing some or all of the services previously provided in accordance with national implementing provisions of Article 98(2)(g) of the UCITS Directive; or
 - b. with respect to the directors of the Irish Covered Management Company, a temporary or permanent ban on conducting some or all of their business activities in accordance with national implementing provisions of Article 99(6)(d) of the UCITS Directive.

The Irish Covered Management Company of an Irish Covered Fund may only delegate the investment management functions to an AIR Delegate provided that such delegation is accepted under the national implementing provisions of Article 13 of the UCITS Directive¹⁶ for Irish UCITS authorised for public offering. The Irish Covered Management Company remains responsible for any action of its delegate(s).

Irish Covered Fund's depositary

10. The Irish Covered Fund must have a depositary that is qualified to act as a depositary for Irish UCITS.

¹⁶ In Ireland, Regulation 23 of the UCITS Regulations.