

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 the 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, “UAE Investment Fund” refers to a UAE-domiciled fund that is eligible for or has received SFC authorisation under MRF, while “UAE Investment Management Company” refers to a UAE management company that is eligible to manage UAE Investment Funds.

General principles

3. MRF operates on the principles that, in respect of an SCA-licensed UAE Investment Fund that is seeking or has received authorisation for offering to the public in Hong Kong:
 - (a) the UAE 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 (see below);
 - (b) the UAE Investment Fund shall remain authorised by the SCA and be allowed to be offered, marketed and distributed to retail investors in the UAE;
 - (c) the UAE Investment Fund shall operate and be managed in accordance with the relevant laws and regulations in the UAE and its offering documents;
 - (d) the sale and distribution of the UAE Investment Fund in Hong Kong shall comply with the applicable laws and regulations in Hong Kong;
 - (e) where relevant, the UAE Investment Fund and the UAE Investment Management Company shall comply with the additional rules released by the SFC governing the authorisation, post-authorisation and ongoing compliance in the context of the offering, marketing and distribution of the UAE Investment Fund to the public in Hong Kong;
 - (f) the UAE Investment Management Company of the UAE 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 UAE 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 SFC authorisation for offering to the public in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO) must comply with the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (SFC Handbook), as well as the circulars, guidelines and other requirements as may be issued by the SFC from time to time, together with the SFO, relevant Hong Kong laws and regulations. Based on the principles set out above, if a UAE Investment Fund complies with the relevant UAE laws and regulations and the conditions as set out in this circular, it is generally deemed to have complied in substance with the relevant Hong Kong laws and regulations and will enjoy a streamlined process of authorisation for offering to the public in Hong Kong.
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 existing Hong Kong regime for authorised retail funds, this circular sets out the additional requirements with which a UAE Investment Fund must comply when applying for SFC authorisation pursuant to Section 104 of the SFO for offering to the public in Hong Kong under the Memorandum, as well as other requirements which a UAE Investment Management Company and a UAE Investment Fund must observe after obtaining SFC authorisation. The SCA will issue a separate circular regarding the authorisation of eligible Hong Kong funds for public offering in the UAE.

Eligibility requirements and types of eligible funds

6. The eligibility requirements (Eligibility Requirements) are set out in Annex B to this circular.
7. UAE Investment Funds applying for SFC authorisation must fall within at least one of the following eligible fund types¹:
 - (a) General equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) Feeder funds;
 - (c) Unlisted index funds; or
 - (d) Exchange-traded funds (ETFs)².

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

8. The UAE Investment Management Company that is seeking SFC authorisation must indicate to the SFC the fund type(s) in paragraph 7 above which the UAE Investment Fund falls within.

¹ Please note that these are not legally defined categories. They have no statutory legal meaning but are merely indications. UAE Investment Funds shall need confirmation by the SCA that they fall within at least one of the eligible fund types during the application process.

² 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.

9. All UAE Investment Funds must comply with the requirements set out under the “Requirements applicable to all UAE Investment Funds” section below as well as the relevant requirements set out under the “Requirements applicable to each specific type of UAE Investment Funds” section below.

Requirements applicable to all UAE Investment Funds

10. To ensure proper investor protection and consistency with the existing Hong Kong regime for authorised retail funds, all UAE Investment Funds are required to comply with requirements set out in paragraphs 11 – 32 below, as well as the relevant requirements as set out in Annex A.

Representatives in Hong Kong

11. Each UAE Investment Fund must appoint a firm in Hong Kong as its representative in compliance with Chapter 9 and 11.1(b) of the Code on Unit Trusts and Mutual Funds (UT Code).

Operational and ongoing requirements

Home jurisdiction supervision

12. The UAE Investment Fund must, on an ongoing basis, remain authorised by the SCA for offering to the public in the UAE. The UAE Investment Management Company of the UAE Investment Fund must also remain licensed by the SCA to manage collective investment schemes (CIS) in accordance with 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 (Section 3 Chapter 5 Article 10) and the SCA Board of Directors’ Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds. Both the UAE Investment Fund and its UAE Investment Management Company must be subject to ongoing regulation and supervision by the SCA.

Changes to UAE Investment Funds

13. Changes to a UAE 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 UAE Investment Fund that fall within 11.1 of the UT Code³ and revisions made to its offering documents relating to such changes must be submitted by its UAE Investment Management Company for approval by the SFC in accordance with the relevant requirements set out in Annex A. These changes may take effect only upon approval by the SFC and compliance with any relevant notice requirement.

³ Scheme changes which fall under 11.1(b) and 11.1(c) of the UT Code will not require the SFC’s approval if certain requirements as set out in Q.5, 9 and 11A of the Frequently Asked Questions (FAQs) on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds are met: <https://www.sfc.hk/en/faqs/Publicly-offered-investment-products>.

15. Any proposed changes to a UAE Investment Fund that do not require the SFC's prior approval pursuant to 11.1 of the UT Code and revisions made to its offering documents relating to such changes must be filed with the SFC and comply with the relevant requirements set out in Annex A.
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 UAE Investment Fund by the UAE Investment Management Company. Equal treatment should be given to investors in both jurisdictions in terms of the form which that notice takes⁴.
17. For the avoidance of doubt, changes that render the UAE Investment Fund ineligible under this MRF (for example, the fund changes its strategy and no longer meets the eligible fund type definition) and revisions made to its offering documents relating to such changes require the SFC's prior approval. The UAE 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 UAE domestic laws or the requirements set out or referred to in this circular, which is notifiable to the SCA and could affect Hong Kong investors in a UAE Investment Fund, the UAE Investment Management Company must endeavour to notify the SCA and report to the SFC at the same time and rectify the breach promptly. The UAE Investment Management Company will notify the SFC once the breach has been rectified.
19. Following SFC authorisation of a UAE Investment Fund under Section 104 of the SFO, if a UAE Investment Fund ceases to meet the requirements set out in this circular, its UAE Investment Management Company must notify the SFC immediately. The UAE Investment Fund must not continue its offering to the public in Hong Kong or accept subscriptions from investors in Hong Kong without the SFC's prior approval.

Withdrawal of authorisation

20. Following SFC authorisation of a UAE Investment Fund, if its UAE 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 SFC and provide notice to Hong Kong investors of its intention not to maintain such authorisation in accordance with the relevant Hong Kong laws and regulations.
21. The SFC may at any time review its authorisation of a UAE Investment Fund and may modify, add to or withdraw any of the conditions of such authorisation, or withdraw the authorisation, as it considers appropriate.

⁴ To the extent there are requirements on minimum notice period and content of or template for notice to Hong Kong investors under relevant Hong Kong laws and regulations, the UAE Investment Funds should comply with these requirements and ensure that investors in the UAE and Hong Kong receive equal treatment in terms of the notice period and information disclosed.



Sale/distribution, offering documents, ongoing disclosure and advertisements

Sale/distribution

22. The sale and distribution of a UAE Investment Fund in Hong Kong must be conducted by intermediaries properly licensed by or registered with the SFC and must comply with the relevant Hong Kong laws and regulations relating to the sale and distribution of funds.

Offering documents

23. The disclosure of information relating to a UAE Investment Fund must be complete, accurate, fair, clear and effective. It must be easily understood by investors.
24. The offering documents of a UAE 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 UAE Investment Fund may use the offering documents approved by the SCA. 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 UAE laws and regulations and the requirements set out in its offering documents. The SCA-approved offering documents may be supplemented by a Hong Kong covering document to comply with the disclosure requirements set out in Annex A⁵. The Hong Kong covering document should also disclose any other information which may have a material impact on investors in Hong Kong. The Hong Kong offering documents shall not contain any information that would be inconsistent with the offering documents approved by the SCA and/or inaccurate/misleading regarding the UAE Investment Fund.
26. The UAE Investment Management Company of a UAE 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 UAE Investment Management Company of a UAE Investment Fund must take reasonable steps and measures to ensure that the ongoing disclosure of information of the UAE 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, must immediately notify the SFC. A UAE Investment Fund must comply with the requirements set out in Annex A and, on an ongoing basis, disclose any other information which may have a material impact on investors in Hong Kong.

⁵ A disclosure requirement in Annex A would be considered met if the relevant disclosure is already included in the prospectus approved by the SCA. The UAE Investment Fund does not need to duplicate the disclosure in the Hong Kong covering document.

28. Subject to paragraph 30, a UAE Investment Fund may use its UAE financial reports as the basis for distribution in Hong Kong, provided that the reports are supplemented by the additional information and meet the other requirements set out in Annex A.

Language

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

Advertising

31. All advertisements in relation to a UAE Investment Fund offered in Hong Kong must comply with the relevant Hong Kong laws and regulations, in particular, the Advertising Guidelines Applicable to Collective Investment Schemes Authorised under the Product Codes⁶.

Fees

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

Requirements applicable to each specific type of UAE Investment Funds

33. In general, the SFC will deem a UAE Investment Fund to have complied substantially with the requirements of the UT Code. There are, however, requirements with which each specific type of UAE Investment Funds must comply. Please refer to Annex A for details.

Application process

34. The SFC understands that this marks the first time UAE Investment Funds may seek authorisation from the SFC. The SFC therefore encourages applicants to consult the Investment Products Division early for any clarification or guidance as to how the relevant requirements may apply and be complied with in light of their specific circumstances.
35. The SFC 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 SFC's website or contact the Investment Products Division.

⁶ <https://www.sfc.hk/web/EN/rules-and-standards/codes-and-guidelines/guidelines/>



36. Applicants shall request the SCA to provide directly to the SFC a certificate confirming that the Eligibility Requirements listed in Annex B to this circular are met. The SFC will not take up the application if no such certificate is received from the SCA.
37. Further details of the MRF application process for a UAE Investment Fund seeking SFC authorisation are available on the SFC's website.

**Investment Products Division
Securities and Futures Commission**

Annex A

Requirements in the Overarching Principles Section of the SFC Handbook (Overarching Principles Section) and UT Code to be complied with by all UAE Investment Funds⁷

Note: for the purpose of this Annex A, in respect of a UAE Investment Fund, reference to “constitutive documents” in the relevant provisions in the Overarching Principles Section and UT Code refers to the principal documents governing the formation of the fund which includes its offering documents and its governing law.

	Relevant provisions in the Overarching Principles Section and UT Code
1. General requirements	
Mention of SFC authorisation and jurisdiction	1.10 of the Overarching Principles Section and 9.10 of the UT Code
General obligations of custodian	4.5 of the UT Code, except for 4.5(a), 4.5(b), 4.5(c), 4.5(d), 4.5(e), 4.5(i), 4.5(j) and 4.5(k)
Retirement of custodian	4.6 of the UT Code
Appointment of management company	5.2 of the UT Code, except 5.2(a)
Retirement of management company	5.11 of the UT Code, except for 5.11(c); and 5.12(a)
Naming of a UAE Covered Fund	5.1 and 5.2 of the Overarching Principles Section
Self-managed schemes	<p>5.9(b) of the UT Code</p> <p>A self-managed scheme must appoint a UAE management company that is authorised by the SCA to manage collective investment scheme in accordance with 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 (Section 3 Chapter 5 Article 10) and the SCA Board of Directors’ Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds as investment manager.</p>

⁷ For the avoidance of doubt, UAE Investment Funds and UAE Investment Management Companies should also comply with the Frequently Asked Questions (FAQs) on UAE-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 and FAQs on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds.

2. Operational requirements	
Scheme documentation, pricing, issue and redemption of units/shares, fees	Chapter 6 of the UT Code, except for 6.1, 6.6 – 6.8, 6.10, 6.11, 6.11C, 6.15, and 6.18(b) and (d)
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
General obligations	6.2 – 6.3 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
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 C20

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	
Contents of financial reports	Appendix E of the UT Code

Requirements in the UT Code to be complied with by each specific type of UAE Investment Funds

	Relevant provisions in the UT Code
General equity funds, bond funds, mixed funds and funds that invest in other schemes	7.2, 7.10, 7.11C, 7.11D, 7.15, 7.16, 7.28 to 7.36 and 7.42
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)
Listed open-ended funds (also known as active ETFs)	8.10

Annex B

Eligibility Requirements

UAE Investment Fund

1. The UAE Investment Fund must be established, domiciled and managed in accordance with UAE laws and regulations and its offering documents. It must be a collective investment scheme which is formally licensed by the SCA under the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds for public offering in the UAE.
2. The UAE Investment Fund must fall within one of the following eligible fund types⁸.
 - (a) general equity funds, bond funds, mixed funds and funds that invest in other schemes;
 - (b) feeder funds, whose underlying funds must be authorised by the SCA and falls within one of the fund types in paragraphs 2(a), (c) or (d) of this Annex and complies with the requirements in this circular;
 - (c) unlisted index funds; or
 - (d) ETFs⁹.
3. The UAE Investment Fund must not have share classes with hedging arrangements other than currency hedging.

UAE Investment Management Company

4. The UAE Investment Fund must be managed by a UAE Investment Management Company that is licensed by the SCA to manage CIS in accordance with 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 (Section 3 Chapter 5 Article 10) and the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds. Alternatively the UAE Investment Fund may be a self-managed scheme.
5. The UAE Investment Management Company of a UAE Investment Fund must have paid up share capital and non-distributable capital reserves of HK\$10 million or its equivalent in Dirham or other foreign currencies.
6. The UAE Investment Management Company of a UAE Investment Fund must not have been the subject of any major regulatory or enforcement actions taken by the SCA in the past three years or, if it has been established for less than three years,

⁸ Please note that these are not legally defined categories. They have no statutory legal meaning but are merely indications. UAE Investment Funds shall need confirmation by the SCA that they fall within at least one of the eligible fund types during the application process.

⁹ 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.

since the date of its establishment.

7. The UAE Investment Management Company of a UAE Investment Fund may delegate the investment management functions to any entity, provided that such delegation is accepted under the UAE laws and regulations¹⁰ for UAE CIS authorised for public offering. The UAE 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 5.1 of the UT Code¹¹.

UAE Investment Fund's depositary/custodian

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

¹⁰ The legal framework regarding the delegation of functions by a UAE management company is laid down in 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.

¹¹ The list of acceptable inspection regimes are available at: <https://www.sfc.hk/web/EN/regulatory-functions/products/list-of-publicly-offered-investment-products/list-of-recognised-jurisdiction-schemes-and-inspection-regimes.html>