



**By email (ofc-2019consultation@sfc.hk)**

19 February 2020

Our Ref.: C/CFAP, M124999

The Securities and Futures Commission  
35/F Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

Dear Sirs,

**[Re: Consultation Paper on Proposed Enhancements to the Open-ended Fund Companies Regime](#)**

The Hong Kong Institute of CPAs' Corporate Finance Advisory Panel ("the Institute") has considered the Consultation Paper on Proposed Enhancements to the Open-ended Fund Companies ("OFC") Regime and, in general, supports the Securities and Futures Commission ("SFC")'s proposed enhancements to the OFC. We have just a couple of observations as indicated below.

**B. Expansion of investment scope for private OFCs**

**Q5 - Do you have any comments on the proposed expansion of the investment scope of private OFCs to loans and shares and debentures of Hong Kong private companies? Please explain your views.**

It is proposed that the investment scope of private OFCs be expanded to include loans, as well as shares and debentures of Hong Kong private companies. However, it is also stated that an OFC must not engage in a money lending business. Given that the definition of "carrying on a money lending business" is quite broad, what controls will be put in place to ensure that the proposed restriction is applied?

**D. Significant controllers register requirements**

**Q7 - What are your views on the proposed adoption of the significant controllers register requirements under the Companies Ordinance in the OFC regime?**

We would be interested to see the detailed rules on the keeping of a significant controllers register ("SCR") by OFCs, once these are available. We would hope that, similarly to the SCR requirements under the Companies Ordinance, an "accounting professional", as defined under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), will be among the persons permitted to be designated by an OFC as its representative, to provide assistance to law enforcement officers in relation to the OFC's SCR.



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

Should you have any questions on this submission, please feel free to contact me at the Institute.

Yours faithfully,

Peter Tisman  
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PMT/NCL/pk



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