

Frequently Asked Questions relating to Capital Investment Entrant Scheme*

(*This refers to the Capital Investment Entrant Scheme suspended by the Government with effect from 15 January 2015)

	Question	Answer
1.	Are feeder funds considered eligible under the Scheme?	The investments of a feeder fund are effectively the investments held by the underlying fund. Therefore, if the underlying fund complies with the eligibility requirements of the Scheme, the feeder fund may be considered for inclusion as an eligible CIS for the Scheme. However, the feeder fund itself must also comply with the requirements of the Scheme.
2.	Do “permissible investments” include REITs?	Yes, a REIT authorized by the SFC pursuant to section 104 of the SFO and in accordance with the Code on Real Estate Investment Trust may apply to become an eligible CIS for the Scheme.
3.	Are payments required upon submission for application for eligible CIS under the Scheme?	No fees are required to be paid to the SFC for the purpose of applying for inclusion as an eligible CIS. However, like any other authorized CIS, authorization fees and annual fees have to be paid to the SFC for the purpose of obtaining and maintaining SFC authorization.
4.	Are there restrictions in the allocation of the minimum investments threshold under the Scheme?	No. Entrants may allocate their portfolio amongst the permissible assets under the Scheme at their own discretion.
5.	If the underlying investments of an existing SFC authorized CIS fulfil the	Provided that the underlying investments of the CIS comply with the investment requirements of the Scheme, the HK\$ share class of the CIS may be submitted for consideration as eligible

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	eligibility requirements of a CIS for the purpose of the Scheme with the exception that the CIS is not denominated in Hong Kong dollars, can a new share class denominated in Hong Kong dollars be established and applied for eligibility under the Scheme?	CIS for the purpose of the Scheme. Such new HK\$ share class shall also be offered to other retail investors in Hong Kong.
6.	Is there any requirement for the management company to notify holders if a fund no longer intends to maintain its status as an eligible CIS under the Scheme?	Please refer to Question 22 in Section 2 of the Frequently Asked Questions on Post Authorization Compliance Issues of SFC-authorized Unit Trusts and Mutual Funds.

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