

Securities and Futures Services – 2007 Liberalization Measures

1. What are Mainland’s commitments concerning the securities and futures sector under CEPA 2007?

The relevant commitments under CEPA 2007 are –

- to allow Mainland fund management companies approved by the China Securities Regulatory Commission to establish subsidiaries in Hong Kong to operate relevant businesses; and
- to extend the timeframe for Mainland securities companies wishing to establish subsidiaries in Hong Kong to complete registration in Hong Kong from six months to one year.

2. How will Mainland’s commitments affect the Hong Kong market?

Together with the prior initiatives, Mainland securities and futures companies and fund management companies can now set up subsidiaries in Hong Kong under CEPA. This would facilitate the further development of our financial services industry and bring more business and employment opportunities.

3. What are the details of the implementation of the commitment to allow Mainland fund management companies to set up subsidiaries in Hong Kong?

Interested Mainland fund management companies should contact the China Securities Regulatory Commission direct for the approval requirements. The relevant subsidiaries should apply for a licence from SFC and fulfil all the relevant requirements before carry on any regulated activities in Hong Kong.

4. How would extending the timeframe for Mainland securities companies to complete registration in Hong Kong facilitate the development of our financial services industry?

ding to previous requirements imposed by the China Securities Regulatory Commission (CSRC), Mainland securities companies wishing to establish subsidiaries in Hong Kong would need to complete registration in Hong Kong within six months after approval is obtained. Extension of the timeframe to one year

would allow these companies more time for preparation as practically they would need time to complete other procedures (such as application for SFC licence and rental of office space) before commencing operation. The new arrangements would facilitate more Mainland securities companies to establish their businesses in Hong Kong, which in turn facilitate the further development of our securities industry and would help to bring more employment opportunities.

NB FAQs provided by the Securities and Futures Commission of Hong Kong (PDF Format) are accessible at –

<http://www.sfc.hk/sfc/html/EN/faqs/licensing/topical-faq.html>