



#	Themes	Hong Kong 		Singapore 
		OFC	LPF	VCC
1	<b>Structure</b>	<ul style="list-style-type: none"> <li>Under the Securities and Futures Ordinance (SFO) and regulated by the Securities and Futures Commission (SFC).</li> <li>Can have legal status and enter into agreements with service providers.</li> <li>Can have sub-funds within an umbrella structure.</li> <li>No minimum capital requirements.</li> <li>Regulated by the SFC.</li> </ul>	<ul style="list-style-type: none"> <li>Established under the Limited Partnerships Fund Ordinance (LPFO).</li> <li>Does not have legal personality.</li> <li>No minimum capital requirements.</li> <li>Administered by the Hong Kong (HK) Companies Registry (CR).</li> </ul>	<ul style="list-style-type: none"> <li>VCC created under the Variable Capital Companies Act (VCCA).</li> <li>Legal entity with shareholders.</li> <li>No restriction on shareholders or minimum capital requirements as value of paid-up share capital is equal to net asset value (NAV).</li> <li>Can be set up to act as an umbrella fund.</li> <li>Available to retail investors if consists of authorised schemes.</li> <li>Can be open or closed ended funds.</li> <li>Administered by the Accounting and Corporate Regulatory Authority (ACRA).</li> </ul>
2	<b>Investment Management</b>	<ul style="list-style-type: none"> <li>Investment manager must be Type 9 (RA9) SFC-licensed.</li> <li>Investment management must be delegated to the investment manager through an investment management agreement.</li> </ul>	<ul style="list-style-type: none"> <li>General Partner (GP) responsible for day-to-day operations. Limited Partners (LPs) have no management authority unless specified.</li> <li>Investment manager to be SFC licensed if conducting regulated activity.</li> </ul>	<ul style="list-style-type: none"> <li>Managers require Monetary Authority of Singapore (MAS) registration / licensing.</li> <li>Fund Manager must also be based in Singapore.</li> </ul>
3	<b>Operations</b>	<ul style="list-style-type: none"> <li>Investors can enter and exit at any time, and shares are redeemed at NAV.</li> <li>Appointment of multiple custodians is permitted.</li> <li>No annual returns nor mandatory annual general meetings.</li> <li>Must have at least 2 directors.</li> </ul>	<ul style="list-style-type: none"> <li>Exit from partnerships are dependent on contracts signed.</li> <li>Responsible person to be appointed and responsible for Anti-Money Laundering (AML) compliance.</li> <li>Annual return, audit and record keeping requirements.</li> <li>Must have a GP and at least 1 LP.</li> </ul>	<ul style="list-style-type: none"> <li>Sub-funds can be exited without having to restructure or wind down the fund.</li> <li>Assets and liabilities must be segregated between the sub-funds.</li> <li>Audit requirements (though financial statements need not be filed with registry).</li> <li>Register of shareholders must be maintained and should be disclosed to authorities upon request.</li> </ul>

				<ul style="list-style-type: none"> <li>• 3 directors required if an authorised VCC, with at least 1 being independent.</li> <li>• Non-authorised VCCs shall have at least 1 director.</li> </ul>
<b>4</b>	<b>Domiciliation</b>	<ul style="list-style-type: none"> <li>• Required to maintain a registered office in HK.</li> <li>• Overseas corporate funds can be redomiciled to Hong Kong.</li> </ul>	<ul style="list-style-type: none"> <li>• Registered office required to be in HK.</li> <li>• Limited partnership in a foreign jurisdiction may be registered as an LPF in HK.</li> </ul>	<ul style="list-style-type: none"> <li>• Required to maintain a registered office in Singapore.</li> <li>• Overseas investment funds can be redomiciled by transferring registration as VCCs.</li> </ul>
<b>5</b>	<b>Investment Scope</b>	<ul style="list-style-type: none"> <li>• Flexible in strategy and investment scope - bonds, equities, real estate, etc.</li> <li>• Must not undertake general/commercial business.</li> </ul>	<ul style="list-style-type: none"> <li>• Mostly private equity and venture capital investments.</li> <li>• Can also be used for investments in real estate, hedge funds, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive and can allow for traditional and alternative investment strategies.</li> </ul>
<b>6</b>	<b>Liability</b>	<ul style="list-style-type: none"> <li>• Limited liability to shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>• GPs have unlimited liability for all the debts and obligations of the fund, while LP's liability is limited to their capital contributions.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited liability to shareholders, up to the extent of their contribution.</li> <li>• Separate legal entity.</li> </ul>
<b>7</b>	<b>Taxation</b>	<ul style="list-style-type: none"> <li>• Eligible for the Unified Funds Exemption from profits tax for profits from qualifying transactions and incidental transactions relating thereto, regardless of the fund structure, location of the fund's management and control, fund size or fund purpose.</li> <li>• (Only) profits from transactions in non-qualifying assets, insofar Hong Kong sourced, would be treated as income chargeable to profits tax.</li> <li>• Management fees are chargeable to profits tax (only) insofar arising in or derived from Hong Kong.</li> </ul>	<ul style="list-style-type: none"> <li>• Eligible for the Unified Funds Exemption from profits tax for profits from qualifying transactions and incidental transactions relating thereto, regardless of the fund structure, location of the fund's management and control, fund size or fund purpose.</li> <li>• (Only) profits from transactions in non-qualifying assets, insofar Hong Kong sourced, would be treated as income chargeable to profits tax.</li> <li>• Management fees are chargeable to profits tax (only) insofar arising in or derived from Hong Kong.</li> </ul>	<ul style="list-style-type: none"> <li>• Various funds tax exemption schemes are potentially available for VCCs (including the exemption of income of venture company, Singapore resident fund tax incentive scheme, enhanced tier fund tax incentive scheme).</li> <li>• Fund managers are permitted to re-domicile their existing offshore investment funds with comparable structures by transferring their registration to Singapore as VCCs. Certain tax deductions are potentially available for a re-domiciled entity as a VCC.</li> </ul>

		<ul style="list-style-type: none"> <li>• Tax concession (0% rate) is potentially available for qualifying carried interest paid by private equity funds operating in Hong Kong to eligible persons.</li> <li>• Access to double tax agreements for OFCs that are tax residents in Hong Kong via Certificates of Resident Status.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax concession (0% rate) is potentially available for qualifying carried interest paid by private equity funds operating in Hong Kong to eligible persons.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to double tax agreements for VCCs that are tax residents in Singapore via Certificates of Residence.</li> </ul>
<b>8</b>	<b>Stamp duty</b>	<ul style="list-style-type: none"> <li>• The allotment and cancellation of shares in an OFC are generally not subject to stamp duty.</li> <li>• No stamp duty in case of a re-domiciliation of a foreign fund to Hong Kong to carry on as an (onshore) OFC on the basis that there is no change of beneficial ownership.</li> </ul>	<ul style="list-style-type: none"> <li>• The contribution, transfer or withdrawal of interests in an LPF are generally not subject to stamp duty.</li> <li>• No stamp duty in case of a re-domiciliation of a foreign fund to Hong Kong to carry on as an (onshore) LPF on the basis that there is no change of beneficial ownership.</li> </ul>	<ul style="list-style-type: none"> <li>• As with an acquisition of shares (i.e., the purchase of existing shares) in a company, an instrument for the acquisition of shares in a VCC or sub-fund of an umbrella VCC is generally subject to stamp duty.</li> <li>• Share issuance (i.e., creation and sale of new shares) in a VCC is not subject to stamp duty.</li> </ul>
<b>9</b>	<b>Grant Scheme</b>	<ul style="list-style-type: none"> <li>• 70% of the set-up expenses, subject to a cap of HK\$1 million per OFC.</li> <li>• Grants available to a maximum of 3 OFCs per investment manager.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• 30% of qualifying expenses (legal, tax and administrative/regulatory compliance services) subject at a cap of S\$30,000 per VCC.</li> <li>• Available to only first-time qualifying fund managers.</li> </ul>
<b>10</b>	<b>Timeline for registration</b>	<ul style="list-style-type: none"> <li>• 1 month from date of acceptance of application by the SFC.</li> </ul>	<ul style="list-style-type: none"> <li>• 4 - 8 business days after complete documents are submitted.</li> </ul>	<ul style="list-style-type: none"> <li>• 14 - 60 days including the time required for referral to another government agency for approval or review, if necessary (In practice, this is usually faster).</li> </ul>
<b>11</b>	<b>Termination / Winding up</b>	<ul style="list-style-type: none"> <li>• As prescribed by the OFC Termination rules.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance with partnership agreement.</li> <li>• By court order.</li> </ul>	<ul style="list-style-type: none"> <li>• Voluntary liquidation by shareholders.</li> <li>• By court order.</li> </ul>