Open-ended Fund Companies – An Overview

Tiang & Partners
程偉賓律師事務所

An independent Hong Kong law firm and a member of the PwC network

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A.

Our strengths

1. Tiang & Partners' Funds practice

Tiang & Partners is an independent Hong Kong law firm and a member of the PricewaterhouseCoopers Limited ('**PwC**') network. The Funds and Regulatory practice consists of a team of dedicated investment funds lawyers and legal staff covering the entire spectrum of investment funds, from private equity, hedge, hybrid to retail and authorised funds, and all non-contentious regulatory issues related to investment management activity in Hong Kong.

Our services include advising on:

- Structuring funds, choosing the domicile, listing requirements and drafting fund documentation
- Legal restrictions on marketing internationally (with the assistance of our international network)
- SFC licensing and application process
- Regulatory issues for hedge fund managers including disclosures of interests
- Structuring and setting up hedge fund management businesses

2. Tiang & Partners is a full-service asset management law firm

Tiang & Partners boasts expertise across all areas that are relevant or related to asset management activity, including:

- Negotiating prime brokerage and trading documentation (including ISDA Master agreements, CFD, repo and other futures and options agreements)
- Advising on strategic and transactional matters, including fund merger and acquisitions ('**M&A**'), illiquid investments and active investment situations
- Advising on all aspects of the employment relationship (both contentious and non-contentious) including employment contracts, employee entitlement and protection, employee documentation, termination disputes and redundancies

Our lawyers work closely with PwC's Asset & Wealth Management and Financial Services Lines of Service, as well as the global Legal teams within the PwC legal network, to provide integrated advice and support on operational, regulatory, and transactional aspects to fund managers, sponsors and investors. Our in-depth industry knowledge and expertise in specialist areas also equips us to advise on the full range of issues relevant to hedge, private equity, crypto and hybrid funds, and also their managers.

Given this capability, we are able to provide an end-to-end solution across the entire life cycle of a fund, from inception, to operation, through to termination. In addition, drawing from expertise across the entire legal and wider PwC network, we are able to provide services across all aspects of a fund's operation and in relation to asset management activity generally.

3. PwC Global Legal Business Solutions

PwC Global Legal Business Solutions (‘**LBS**’) represents the combination of the PwC Network’s global Legal and NewLaw practices. The global Legal practice consists of 3,500 professionals across 90+ territories, bringing the right combination of legal insights, business understanding and technological innovation to transform how you work and make the right decisions.

Investments funds and regulations need global perspective with local knowledge. The PwC Global Legal Funds team has a presence in many of the key jurisdictions in which funds clients invest or operate, and has established alliances with leading law firms in many other jurisdictions. Working with us is not just about legal advice – by collaborating closely with PwC’s Tax, Assurance, Risk and Regulatory Compliance, Deals and Crypto Advisory teams, our team provides asset and wealth management clients with an integrated, end-to-end business solution to all of their asset management and investment fund needs.

PwC legal services coverage:

4. The PwC network of law firms across Asia Pacific

Tiang & Partners works closely with the PwC network of law firms – the most geographically connected legal services network in the world with more than 3,500 legal practitioners in 90+ territories, including offices across 12 territories in Asia Pacific. Combining local market knowledge with international experience, we connect your challenges with the right expertise in Legal and across PwC.

Territory	Network firm(s)	Law practised
Hong Kong SAR	Tiang & Partners*	Hong Kong SAR English Australian Canadian New York State, United States
Taiwan	PricewaterhouseCoopers Legal	Taiwan
Singapore	Eng and Co. LLC	English Australian Singapore
Australia	PwC Australia	Australian (NSW, VIC, QLD, WA, ACT)
Indonesia	Melli Darsa & Co., Advocates & Legal Consultants	Indonesian
Japan	PwC Legal Japan	Japanese
Mongolia	PwC Mongolia	Mongolian
New Zealand	PwC Legal New Zealand	New Zealand
Philippines	Cabrera & Co	Philippine
Thailand **Laos**	PwC Legal & Tax Consultants	Thai Laotian
Vietnam	PwC Legal Vietnam	Vietnamese
Total	**80+ partners and 400+ legal professionals**	

5. Tiang & Partners – Excellent market recognition

Leading / recommended lawyers and individuals:

Michelle Taylor

Ranked in Capital Markets and Structured Finance & Securitisation

Gaven Cheong

Ranked in Investment Funds/ Private Funds - Formation

Tejaswi Nimmagadda

Ranked in Asset Finance/ Aviation Finance

Martin Robertson

Ranked in M&A

Chiang Ling Li

Ranked in Intellectual Property, Life Sciences, Patent and Technology Licensing, Data privacy and cybersecurity

Martyn Huckerby

Ranked in Antitrust & Competition

Kevin Tsang

Ranked in Capital Markets and Structured Finance & Securitisation

Nai Kwok

Ranked in Asset Finance/ Aviation Finance

David Law

Ranked in Structured Finance & Securitisation

FT INNOVATIVE LAWYERS ASIA-PACIFIC 2022 WINNER

'Innovation in Enabling Business Growth'

– Establishment of Global Shipping Business Network

Ranked practice areas

- Antitrust & Competition
- Asset Finance (Aviation)
- Capital Markets (South Korea, HK)
- Data Privacy & Protection
- FinTech
- Intellectual Property – Patents, Trademarks, Copyright
- Investment Funds
- Investment Funds
- Corporate/ M&A
- Structured Finance & Securitisation

B.

Open-ended fund companies in Hong Kong – an overview

INTRODUCTION

Investment funds that are domiciled in Hong Kong were historically typically established as unit trusts. This was because under Hong Kong's company laws, there were strict requirements in relation to capital maintenance, capital reduction, and distributions out of share capital. This made it impractical to operate a Hong Kong company as an open-ended fund that allowed for regular subscriptions and redemptions.

In order to attract more funds to domicile in Hong Kong, on 20 March 2014, the Financial Services and the Treasury Bureau of Hong Kong (the '**FSTB**') issued a consultation paper on the proposed regulatory framework for an open-ended fund company ('**OFC**') as an additional choice of investment fund vehicle. On 15 January 2016, the FSTB published its consultation conclusion, which allowed OFC to be established under the Securities and Futures Ordinance. The OFC regime became operational on 30 July 2018.

Features of the OFC regime

The OFC regime enables funds with variable capital to be established in corporate form in Hong Kong. It provides flexibility to meet shareholders' redemption requests and allows making distributions out of its share capital, subject only to solvency and disclosure requirements. By providing a corporate fund structure in addition to a unit trust form, the OFC regime broadens the choice of investment vehicles and facilitates the distribution of Hong Kong funds in overseas markets.

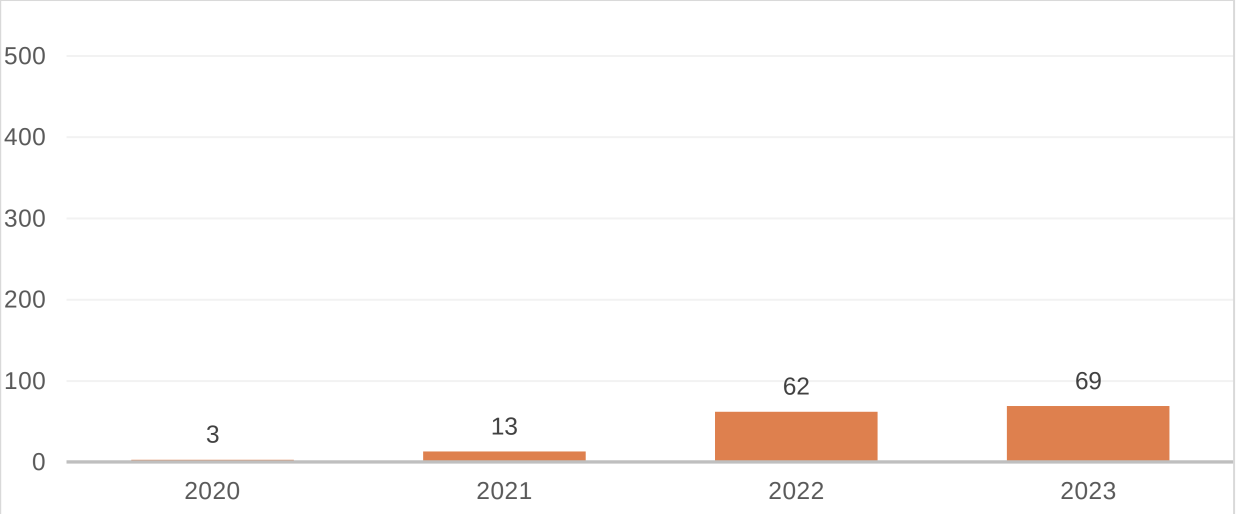
Compared to a unit trust structure, an OFC will have separate legal personality and its own board of directors, and hence will not require a trustee. This should lead to lower set up and operating costs. As a company, an OFC may also be more marketable and easier to understand than unit trusts. Additionally, the OFC may provide an attractive vehicle for seeking mutual recognition in the PRC under the mutual fund recognition regime between Hong Kong and the PRC. As an OFC would be clearly domiciled in Hong Kong with an established tax residency in Hong Kong, it would be easier to take advantage of double tax agreements, including with the PRC. In addition, OFCs are eligible for profits tax exemption. For an overview of the profits tax exemption regime and conditions, please see section '**TAX CONSIDERATIONS**' below.

The OFC legislation also provides for a 'protected cell' regime, such that an OFC can be established as an umbrella fund with multiple sub-funds with assets that are ring-fenced from each other sub-fund (similar to a Cayman Islands SPC). For an overview of an umbrella OFC structure, please see section '**FUND STRUCTURING**' below. Under the OFC regime, there are two types of OFC, namely public OFC and private OFC. The key difference is that a private OFC can only be offered to professional investors.

Market trends

Due to the various benefits of using OFC to structure different kinds of funds (e.g. streamlined application process, tax concession, government grant), the OFC has become a popular vehicle for both SFC authorised, as well as non-authorised private funds. The number of OFCs registered in Hong Kong has increased from 3 in 2020 to 69 in 2023.

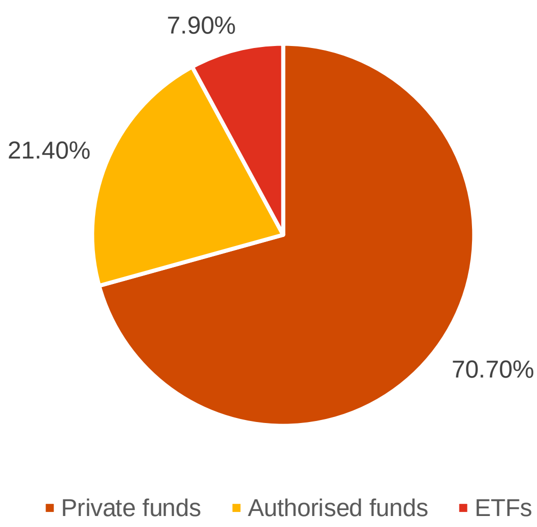
OFCs in Hong Kong



Source: SFC's Annual Reports

According to the SFC, out of the 126 OFC sub-funds registered as at 2023, 37 of which are SFC-authorised funds and among 10 of which are exchange-traded funds ('**ETFs**') with a total market capitalisation of over US$32 million.

Types of OFC sub-funds as at 2023



Source: SFC's Annual Report 2022-2023

MECHANICS

What is an OFC?

An OFC is an open-ended collective investment scheme which is structured in corporate form with limited liability and variable share capital. The main purpose of an OFC is to serve as an investment fund vehicle and manage investments for the benefit of its shareholders. In many respects, the OFC's features and mechanics are very similar to structures such as the Singaporean Variable Capital Company (VCC) and the Cayman Islands' exempted limited corporation (which are also popular choices for fund vehicles).

Statutory requirements

	Directors	Investment Manager	Custodian
Minimum number	2 - at least 1 independent director (i.e. not be a director or employee of the custodian)	1	1
Residency	A non-resident director (i.e. a director whose usual residential address is outside Hong Kong) must appoint a process agent to receive any process or notice		A non-Hong Kong custodian (i.e. a custodian incorporated outside Hong Kong) must appoint a process agent to receive any process or notice - unless it is a 'registered non-Hong Kong company' as defined in the Companies Ordinance)
Responsibility	Managing the overall operations of the OFC - but must delegate investment management functions to the investment manager by an investment management agreement	Managing the scheme property of the OFC	Entrusted for the safekeeping of the scheme property of the OFC
Registration		Registered / licensed for Type 9 (asset management) regulated activity	Comply with the requirements set out under the Code on Unit Trusts and Mutual Funds (i.e. bank / trust company)

			- For a private OFC, a custodian can also be a Type 1 licensed/registered entity which meets eligibility criteria under 7.1(b)(ii) of the OFC Code
Eligibility	Be of • good repute, • appropriately qualified, • experienced and • proper for the purpose of carrying out the business of the OFC	Be and remain fit and proper, at and after the registration of the OFC	
Other requirements		Have sufficient experience, expertise and competence in managing the asset types in which the OFC invests	Have sufficient experience, expertise and competence in safekeeping the asset types in which the OFC invests
Key statutory duties		• Carry out investment management functions of the OFC in accordance with the instrument of incorporation and investment management agreement • Fulfil the duties and functions in compliance with applicable laws and regulations, including: – Fund Manager Code of Conduct – Code of Conduct for Persons Licensed by or Registered with the SFC – Management, Supervision and Internal Control	• Take reasonable care, skill and diligence to ensure the safe keeping of the scheme property of the OFC that is entrusted to it (same for sub-custodian) • Maintain proper segregation, safe-keeping and record keeping of assets • Exercise due care in the selection, appointment and ongoing monitoring of its delegates, including sub-custodians

		Guidelines for Persons Licensed by or Registered with the SFC – Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations / Authorized Institutions)	

Registering an OFC

Application documents	Under the **one-stop approach**, investment managers looking to incorporate/register an OFC would only need to submit all application documents and required fees to the SFC. To register an OFC, the following documents/items are required to be submitted to the SFC: (1) Application Form *(together with the Information Checklist)* (2) Instrument of Incorporation (**'IOI'**) *(together with the Checklist for IOI)* (3) Confirmation from each of the Proposed Custodian(s) / Directors / Investment Manager (4) OFCNC1 Incorporation Form (5) IRBR3 Notice to Business Registration Office Form *(6)* Application Fees *(incorporation/business registration fees of HK$5,184-8,684 and application fees of HK$5,000 for single OFC/HK$10,000 for umbrella OFC and HK$1,250 for each sub-fund)* Additional documents may be required on a case-by-case basis:- • For instance, Vetting Authorisation Form from a Proposed Director is required if the proposed director is not currently a director of another existing OFC. Further confirmation/documents will also be required from any proposed investment managers or custodians who are not currently managing or acting as custodian for another OFC or SFC-authorised fund. • For applicants registering a public OFC, the additional application documents for seeking the SFC's authorisation should also be submitted together at the same time when applying for the registration of the OFC.
Application process	The SFC has minimised the formalities required from the applicants:- Most documents only need to be submitted online to the SFC by **soft copy** (except forms such as the OFCNC1 Form, IRBR3 Form and the Vetting Authorisation Forms). The SFC will also accept **un-signed copies** of

	application forms (except those which must be submitted by hard copy) provided that the required signatory(ies) confirm by email that all information / confirmations / undertakings in the relevant forms are true and accurate. Application fees may also be paid after the SFC has taken up the OFC registration application.
Processing time	From our experience of establishing new OFCs, registration and incorporation of a private OFC generally takes less than **one month** from the date of submission of the application (provided that all documents are in order and registration requirements are met). However, registration and authorisation of a public OFC will take slightly longer – between **one and three months** from the date on which the SFC decides to take up the application.
Instrument of Incorporation	The IOI of the OFC must comply with the various requirements under the Code on OFCs ('**OFC Code**'). For instance, the IOI must disclose:- • the circumstances under which a director must cease to hold office, • corporate administrative matters (e.g. procedures and notices for general meetings and directors' meetings, creation of share and share classes, quorum of general meetings must be a minimum of 2 shareholders, the notice period for holding annual general meetings must be at least 21 days if they are mandatory), • procedures and requirements for appointment and removal of an auditor, • circumstances and procedures for termination of the fund and, etc.

Maintaining an OFC - Ongoing obligations

Required to	• Publish: **(i) Annual reports** - within four months of the end of the OFC's financial year **(ii) Interim reports (if any)** - within two months of the end of the period they cover – The annual reports must comply with the requirements set out in Chapter 9 of the OFC Code, such as the accounting standards required when preparing accounts, disclosure of information including investment portfolio, assets, liabilities, income and expenses of the OFC, etc. The auditor's report included in the annual report must also state whether in the auditor's opinion, the accounts prepared for that period have been properly prepared in accordance with the relevant provisions of the OFC's IOI, the applicable financial standards, applicable regulatory requirements, and the OFC Code. The interim reports (if any) must apply the same accounting policies and method of computation applied in the annual reports of the same OFC, and

	disclose a statement to this effect or a description of the nature and effect for any change in these policies or methods. – Nevertheless, unlaunched OFCs may apply for exemption from preparing and publishing annual reports. On 18 December 2023, the SFC updated its rules on such application. For an overview of the latest application procedure, please see our NewsFlash published in December 2023. • Make mandatory disclosures in investment management agreements, custodian agreements, etc.
***NOT* required to**	• Report share capital information to the Companies Registry ('**CR**') • Report particulars of charges to the CR • Appoint a company secretary • Deliver annual returns to the CR

Maintaining an OFC - Fees

Public OFC	Private OFC
For public OFCs and their publicly offered sub-funds, no separate fee is payable for post-establishment changes requiring SFC approval. However, an annual fee is applicable to a public OFC as an SFC-authorised fund as in the case of other SFC-authorised funds. For details of such annual fees, please refer to the Frequently Asked Questions on Application Procedures for Authorization of Unit Trusts and Mutual Funds under the Revamped Process for further information.	For private OFCs, a fee of HK$300 is payable on an application for: (i) an approval of the appointment of director, custodian or investment manager; (ii) an approval of a change of name; (iii) a cancellation of registration.

What filings are required?

As a basic requirement, OFCs must make the following filings with the SFC:

Offering documents	OFCs must file their offering documents with the SFC (a) **as soon as practicable** following issuance by the OFC and (b) in the case of changes, **within 7 days** from date of issuance of the revised offering documents. Of note is that the offering documents of an OFC must comply with certain disclosure requirements set out in the OFC Code, such as: • whether the OFC is a private or public OFC, • warning statements,

	• investment scope and strategies, • material risks, • custody arrangements, • circumstances and procedures under which a director, custodian and investment manager must cease to hold office, • circumstances and procedures of termination of fund and removal of director, investment manager and custodian, • manner in which shareholders may obtain relevant information in relation to the OFC, etc.
Annual / interim report	OFCs must also file their published annual reports with the SFC **within four months** of the end of the OFCs' financial year, and interim reports (if any) within two months of the end of the period they cover. For an overview of the requirements of the annual/interim reports, please see heading 'Registering an OFC' under section 'MECHANICS' above. Under certain circumstances, OFCs may apply for extended deadlines for publication and filing of annual reports for private OFCs. On 12 April 2023, the SFC updated its rules on such application. For an overview of the latest application procedure, please see our NewsFlash published in April 2023.
Instrument of incorporation	Any alteration to the instruments of incorporation of the OFCs must be filed with the SFC/CR **within 15 days** of the effective date.
Other matters	OFCs must also make filings with the SFC/CR in relation to the details of process agent appointed by an overseas director or custodian, removal/cessation of director, investment manager or custodian, statement of circumstances issued by auditor or custodian, winding up notifications, etc.

OFC GRANT SCHEME

In May 2021, the SFC introduced a three-year grant scheme to provide subsidies for qualified OFCs to set up in Hong Kong. The grant scheme covers **70% of eligible expenses** incurred in relation to the incorporation or re-domiciliation of an OFC paid to Hong Kong-based service providers, subject to a cap of $1 million per OFC and a maximum of 3 OFCs per investment manager.

Eligible expenses

Eligible expenses	Ineligible expenses
Fees charged by: (1) Law firms or legal advisers for legal work in relation to the incorporation/re-domiciliation of an OFC, including (i) the drafting of legal documents and offering documents of the OFC and (ii) work done in relation to the authorisation of an OFC with the SFC (2) Auditors, accountants or tax advisors for accounting and/or tax services in relation to the incorporation/re-domiciliation of an OFC (3) Fund administrators, corporate service providers or company secretaries for incorporation/re-domiciliation services in relation to the set-up of an OFC, including work done for all filings necessary for the incorporation/re-domiciliation or registration of an OFC (4) Regulatory consultants for work done in relation to the incorporation / re-domiciliation of an OFC and the authorisation of an OFC with the SFC (5) Listing agents in the case of listed OFCs	(1) Audit fees (i.e. fees paid to accounting firms in relation to the annual audit review) (2) Statutory fees (e.g. registration or application fees to the SFC) (3) Expenses incurred in the licensing/registration of an investment manager (4) Costs incurred in the establishment of a sub-fund under a pre-existing umbrella OFC (5) Listing fees to the SEHK

Application timeline

As announced in the 2024-2025 Budget Speech, the Government will extend the grant scheme for 3 years (from 9 May 2024). Therefore, the SFC is expected to accept grant scheme application **from now until 9 May 2027**. Applications will be processed on a first-come-first serve basis based on the submission time of the grant application.

Application for grant scheme can be made as soon as the OFC is incorporated, the fund does not need to be launched before the grant scheme application.

For private OFCs, formal applications must be submitted to the SFC **<u>within 3 months</u>** from the date on which the *<u>private OFC</u> is incorporated/re-domiciled*. For public OFCs, formal applications must be submitted to the SFC **<u>within 3 months</u>** from the date on which the *<u>public OFC</u> is authorised*.

HONG KONG OFC VS CAYMAN ISLANDS EXEMPTED COMPANY

Key considerations	Cayman Islands Exempted Company	Hong Kong OFC
Number of Directors required	1	2 - with at least 1 director independent of the custodian
Directors' residence requirement	No	No
Fund manager	No requirement on the location of the fund manager	Requires a Type 9 (asset management) licensed Investment Manager under SFC
Minimum capital requirement of the Fund	N/A	N/A
Prepare Financial Statement at sub-fund level	Yes	Yes
Public availability of Financial Statement	No	No
Financial Statement GAAP	Any GAAP	HKFRS or IFRS - other accounting standards may be considered by the SFC on a case-by-case basis
Submission of Financial Statement to authority	CIMA	SFC
Public availability of shareholder lists	No	No
Re-domiciliation	Yes	Yes

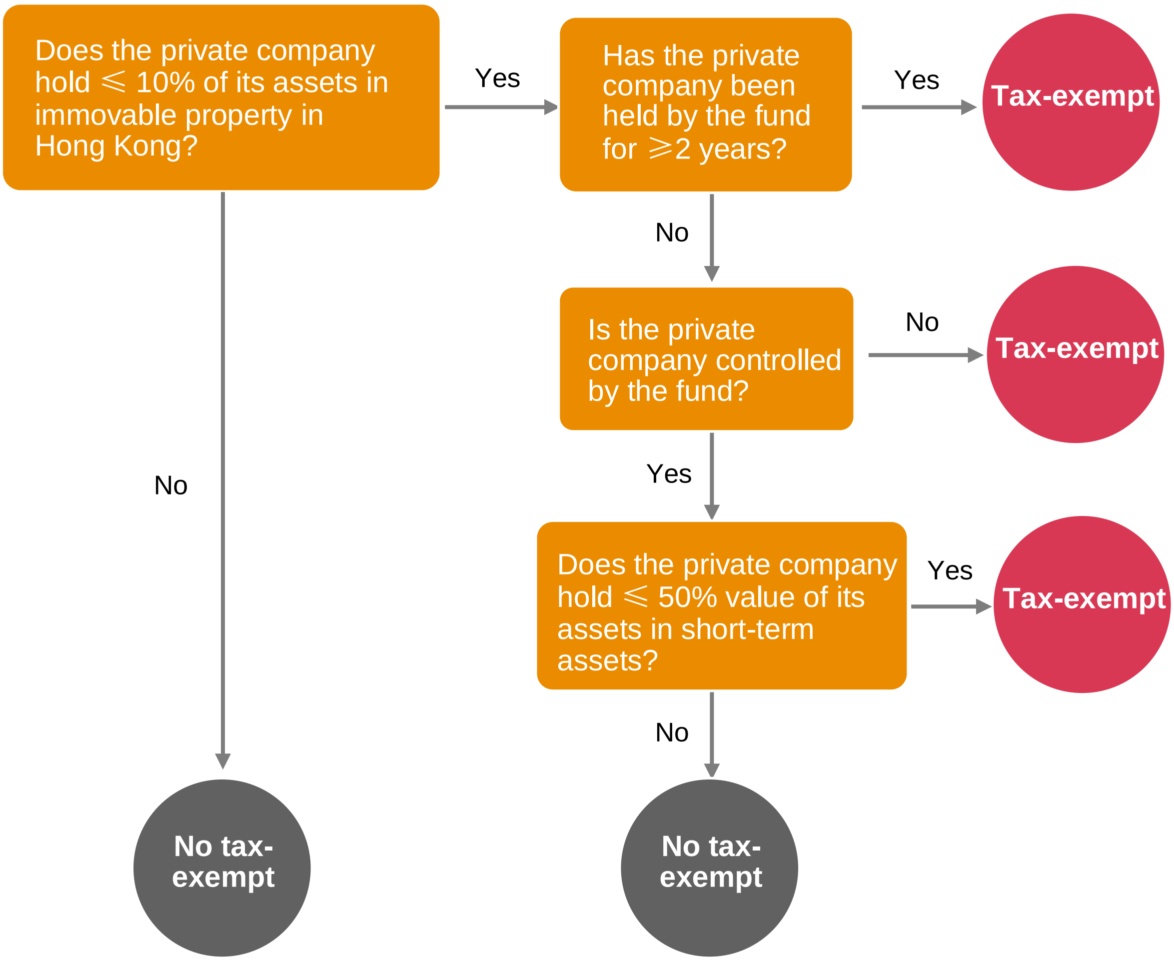
TAX CONSIDERATIONS

Public OFCs

Public OFCs will enjoy the same profits tax exemption as other SFC-authorised funds.

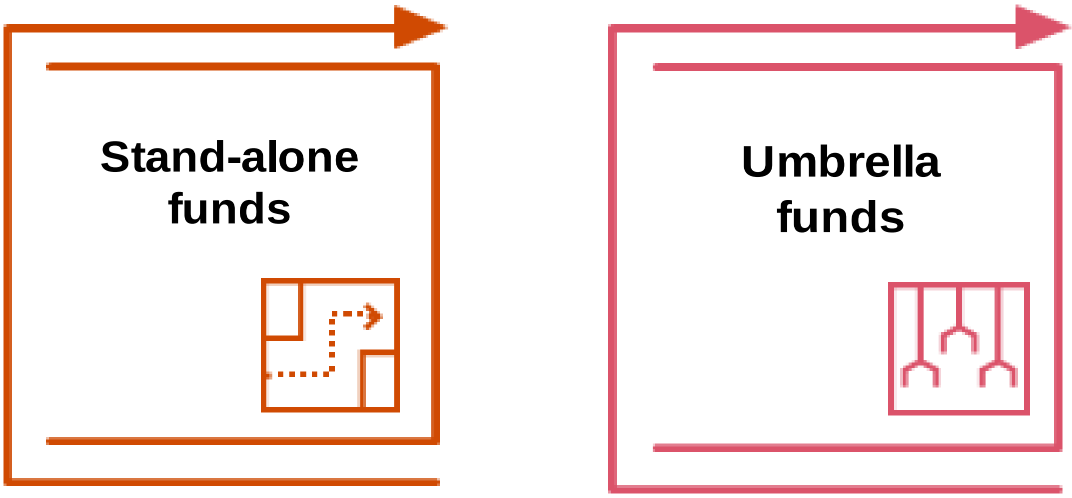
Private OFCs

Upon the commencement of the enhanced tax exemption regime on 1 April 2019, private OFCs will also enjoy profits tax exemption provided that the following conditions are met:

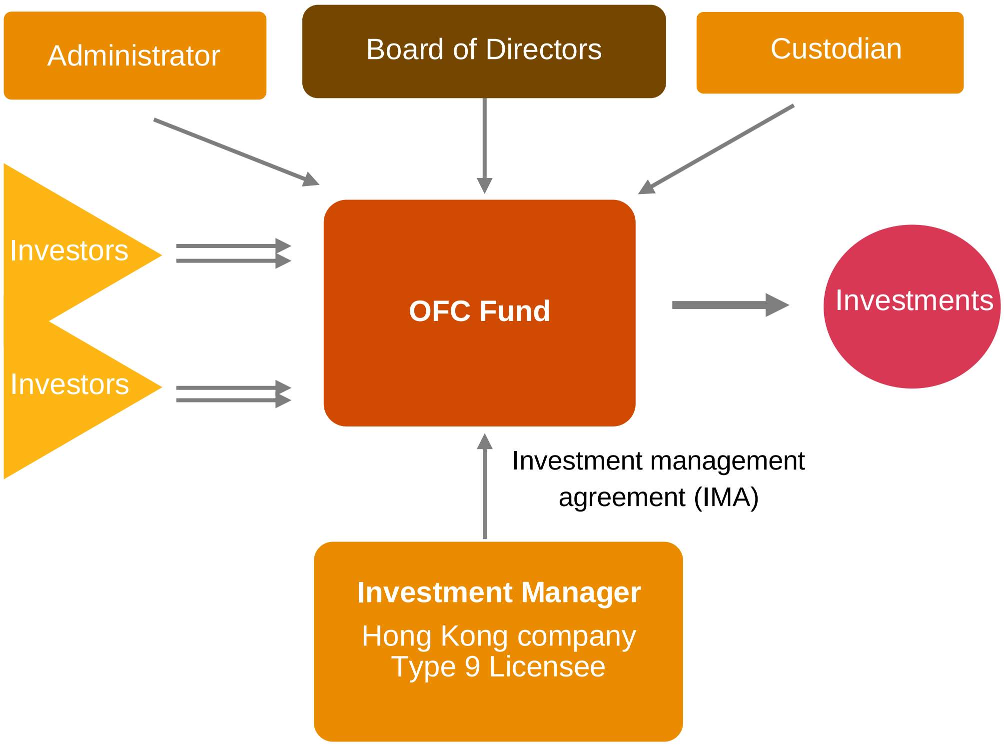


FUND STRUCTURING

Depending on the number of projects, type of assets invested and complexity of investment strategies, OFCs can be used to structure both standalone and umbrella funds.



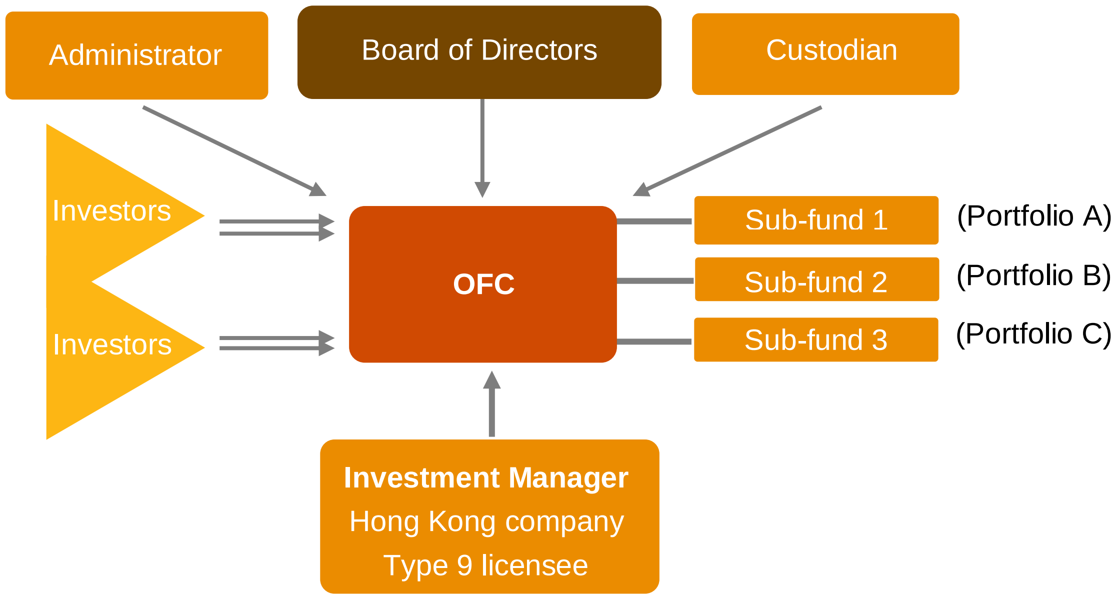
Stand-alone structure



A stand-alone structure comprises a single OFC fund vehicle with a single investment strategy. The OFC will receive funds from investors and investments will be made directly by the OFC.

Umbrella structure

An umbrella structure is a generic term. It refers to an overarching investment vehicle with sub-funds beneath it. Each sub-fund can appoint its own manager, adopt its own investment strategy and have its own pool of assets. Importantly, the assets and liabilities of each sub-fund are intended to be ring-fenced from the assets and liabilities of each other sub-fund and the umbrella fund. Such structure is particularly attractive to managers looking to invest in specific projects, be it real estate, infrastructure developments, or pre-IPO investments, because it allows specific projects/developments to be 'housed' under a separate sub-fund.



Under the OFC 'protected cell' regime, an OFC can be established as an umbrella fund with multiple sub-funds with assets that are ring-fenced from each other sub-fund (similar to a Cayman Islands SPC), without needing to incorporate a new company every time. This provides a distinct advantage in terms of time and costs:

- The OFC allows the issuance of separate share classes in respect of each underlying sub-fund. If a separate project / development is 'housed' in each sub-fund, then this allows fund investors to 'pick and choose' which projects to participate in, rather than being in a strict blind pool.
- It is much faster and more cost effective (at least from a documentation perspective) to create each new sub-fund as the fund acquires new investments.
- Each sub-fund functions as its own 'mini-fund', which means the OFC as a whole becomes evergreen. Each 'mini-fund' theoretically provides the ability to 'ring fence' assets and liabilities from all other mini-funds or pools.

Closed-ended funds

Although OFCs are initially designed as vehicles for open-ended funds, they can also be used to structure closed-ended funds. As OFCs allow for an umbrella structure to be created (which allows separate investments to be 'housed' in different sub-funds), such a structure is also especially suitable for closed-ended funds with multiple investment strategies/asset classes. Also, establishment costs are lower as an OFC's constitutive documents (namely the Instrument of Incorporation) are less open to negotiation /amendment (unlike an LPA for a GP/LP structure).

However, there are inherent issues with using OFC structure for closed-ended funds:

- An OFC structure is less suited to concepts that are part of the convention for closed-ended funds. For example, capital commitment and drawdown – how would one square this with the issuance of shares? Do you issue shares on a fully paid-up basis and simply have the commitment and drawdown as a contractual obligation that you adjust as you go along, or do you tie share issuance with drawdown (and issue on a partly paid basis)? In addition, how do you deal with shares that have been issued when capital contributions are reduced from a distribution? Do you partially redeem shares?
- In addition, how would the fund manager ensure that costs and expenses are properly distributed among shareholders? With partnership accounts, the mechanism is simple and accurate. With shares (and without the benefit of a regular Net Asset Value ('**NAV**')), however, the drafting has to be left deliberately vague to allow the fund manager to make adjustments by issuing/redeeming shares (or parts thereof).

<u>The Hybrid Solution</u>

To overcome the issues of using OFCs to structure closed-ended funds, sponsors may consider using a 'hybrid' approach to allow closed-ended funds to fully benefit from the OFC regime:

- A 'halfway' house that managers may want to consider is to structure the fund as a corporate vehicle that is open-ended (in the same way hedge funds are structured). There will be open redemptions and subscriptions, a regular NAV, and performance fees and management fees that are determined based on NAV/AUM.
- To match liquidity (between the underlying assets – which are illiquid) and redemption, 'hard locks' can be imposed (up to say 4 or 5 years) which would prevent redemption of shares. These can be adjusted from share class to share class, depending on the liquidity characteristics of the underlying investment.
- The advantage of this hybrid approach is that documentation costs are materially reduced. The drafting becomes conceptually more straightforward as there is no need to 'cram' PE style concepts into a corporate framework, and overall, the fund is easier to manage and operate as an open-ended vehicle.

C.

Key contacts

Your primary contact for Investment Funds and Regulatory work:

Gaven Cheong
Partner and Head of Investment Funds
Tiang & Partners
E: gaven.cheong@tiangandpartners.com
T: +852 2833 4993

Gaven is Head of Investment Funds at Tiang & Partners (an independent law firm and a member of the PwC network). Prior to joining Tiang & Partners, Gaven was an equity partner in the investment funds group of Simmons & Simmons (Hong Kong), and before that, a Counsel with the funds practice of Sidley Austin in Hong Kong.

With almost 20 years of fund formation and Hong Kong regulatory experience, Gaven is able to assist clients in the establishment and structuring of a diverse range of collective investment schemes including hedge funds, real estate funds, private equity arrangements, hybrid funds and other private investment structures, and regulatory advice in relation to investment management activity generally. He is also a pioneer in the crypto fund formation and regulatory advice space, having helped obtain the first regulatory licences in Hong Kong for the management of a fund of crypto funds and shortly after that, a pure virtual assets fund.

Working closely with other disciplines in PwC Mainland China and Hong Kong as well as PwC Legal Business Solutions, he is able to offer investment funds and asset manager clients an international fund formation and regulatory service that can also integrate PwC's tax, accounting, deals and consulting offerings - thus providing a truly end-to-end business solution.

Gaven is a ranked practitioner in 'Investment Funds' by *Chambers Greater China Region Guide*, a recommended individual in 'Investment Funds' by *Legal 500 Asia Pacific Guide* and 'Private Funds – Formation' by *Who's Who Legal*. He is also a 'Leading Individual' in 'Fintech Legal (International Firms) by *Chambers FinTech Guide*. In recent editions of *Chambers*, clients praised Gaven for being 'very technically sound', 'practical and shrewd in terms of getting down to the key points in relation to any matter', 'a very bright individual' and for having 'good response time and a business mind'.

Legal 500 Asia Pacific Guide quotes Gaven as being 'unquestionably the most knowledgeable crypto funds lawyer operating in the Hong Kong market right now. He has a very solid background in the hedge fund industry coupled with deep understanding of the digital asset space, which is a formidable combination'.

Gaven received his Bachelor of Commerce (Accounting and Finance), LL.B (Hons) and LL.M (Distinction) from the University of Western Australia. He is qualified to practise in Western Australia, Hong Kong and England & Wales. He is fluent in English and Cantonese, and is conversant in Mandarin.

Areas of expertise

- Investment funds (private hedge, PE and hybrid funds)
- Virtual assets - crypto fund formation and regulatory
- Financial services regulatory (primarily non-contentious)
- Fund and asset management-related disputes

Representative experience* (including handled prior to join Tiang & Partners)

- Advising as lead counsel on the establishment of a number of large and reputable private hedge fund and PE fund launches.
- Advising on a number of crypto fund launches.
- Advising fund managers and sponsors on the virtual assets regulatory regime in Hong Kong and assisting with applications to the SFC for various virtual assets licences.
- Providing general regulatory advice to numerous asset management, investment funds, private equity and other financial services companies.
- Advising on asset management-related disputes.

Key Funds and Regulations team members:

Esther Lee
Registered Foreign Lawyer (Counsel-equivalent)
Tiang & Partners
+852 2833 4913
esther.yt.lee@tiangandpartners.com

David Law
Senior Solicitor
Tiang & Partners
+852 2833 4903
david.ky.law@tiangandpartners.com

Felix Chan
Senior Solicitor
Tiang & Partners
+852 2833 4904
felix.chan@tiangandpartners.com

Karen Austin
Trainee Solicitor
Tiang & Partners
+852 2833 4987
karen.j.austin@tiangandpartners.com

Other key contacts for related work:

Martin Robertson
Partner, M&A
Tiang & Partners
+852 2833 4948
martin.robertson@tiangandpartners.com

- Shareholders' agreements
- Downstream investments and corporate M&A

Martyn Huckerby
Head of Competition Law, Asia-Pacific
Tiang & Partners
+852 2833 4918
martyn.p.huckerby@tiangandpartners.com

- Antitrust clearances & structuring advice
- Employment arrangements (including to hire Responsible Officers and Licensed Representatives)

Michelle Taylor
Partner, Banking and Finance
Tiang & Partners
+852 2833 4994
michelle.a.taylor@tiangandpartners.com

- Finance and structured products work

Tejaswi Nimmagadda
Partner, Aviation finance
Tiang & Partners
+852 2833 4908
tejaswi.nimmagadda@tiangandpartners.com

- Aviation and asset finance and leasing
- Trade finance

Chiang Ling Li
Partner, Intellectual Property
Tiang & Partners
+852 2833 4938
chiang.ling.li@tiangandpartners.com

- Balance sheet recognition of IP (e.g., for groups looking to raise additional capital/seeking IPOs)
- IP/technical/life science regulatory due diligence
- Preparing IP/regulatory disclosures/SPAs/other documents
- IP searches and registration/advising on IP risk of using certain fund names
- IP disputes

PwC key contacts:

Marie-Anne Kong
Asset & Wealth Management Leader
PwC Hong Kong
+852 2289 2707
marie-anne.kong@hk.pwc.com

Rex Ho
Asia Pacific Financial Services Tax Leader
Hong Kong Asset & Wealth Management Tax Leader
PwC Hong Kong
+852 2289 3026
rex.ho@hk.pwc.com

Helen Li
Partner, Financial Services Risk & Regulation
PwC Hong Kong
+852 2289 2741
helen.l.li@hk.pwc.com

Michael Atkinson
Partner, Asset and Wealth Management
PwC Hong Kong
+852 2289 1119
michael.ma.atkinson@hk.pwc.com

Arthur Mok
Partner, Financial Services Risk & Regulation
PwC Hong Kong
+852 2289 1160
arthur.sw.mok@hk.pwc.com

Financial services key contacts across Asia Pacific:

Australia

Paul Saward
Partner, PwC Legal Australia
T: +61 438 938 474
paul.saward@au.pwc.com

Andrew Vincent
Partner, PwC Legal Australia
T: +61 417 544 925
andrew.vincent@au.pwc.com

Andrew Wheeler
Partner, PwC Legal Australia
T: +61 400 260 021
andrew.wheeler@au.pwc.com

Japan

Tomohiro Kandori
Partner, PwC Legal Japan
T: +81 80 9196 1644
tomohiro.kandori@pwc.com
Online profile here

Taiwan

Dr. Hung-Lieh Liang
Partner, PwC Legal Taiwan
T: +886 2 2729 5350
hung-lieh.liang@pwc.com

Singapore

Colin Ong
Director, Eng and Co. LLC
T: +65 6597 3331
colin.ph.ong@mail.engandcollc.com
Online profile here

Khoo Yuh Huey
Director, Eng and Co. LLC
T: +65 6597 3361
yuh.huey.khoo@mail.engandcollc.com
Online profile here

Hong Kong

Michelle Taylor
Partner, Tiang & Partners
T: +852 2833 4994
michelle.a.taylor@tiangandpartners.com
Online profile here

Tejaswi Nimmagadda
Partner, Tiang & Partners
T: +852 2833 4908
tejaswi.nimmagadda@tiangandpartners.com
Online profile here

Gaven Cheong
Partner, Tiang & Partners
T: +852 2833 4993
gaven.cheong@tiangandpartners.com
Online profile here

Joyce Tung
Partner, Tiang & Partners
T: +852 2833 4983
joyce.hs.tung@tiangandpartners.com
Online profile here

Indonesia

Indra Allen
Partner, PwC Indonesia
T: +62 21 5212901
indra.allen@pwc.com
Online profile here

India

Anshul Jain
Partner, PwC India
T: +91 98103 06217
jain.anshul@pwc.com

Amit Jain
Partner, PwC India
T: +91 98217 50980
amit.g.jain@pwc.com

Nidhi Biyani Jain
Director, PwC India
T: +91 98190 69681
nidhi.biyani.jain@pwc.com

www.pwc.com

www.tiangandpartners.com

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程偉賓律師事務所

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