



Hong Kong Investment Funds Association

(company incorporated with limited liability 有限責任公司)

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October 23, 2017

Clerk to Bills Committee on Anti-Money Laundering
and Counter-Terrorist Financing
(Financial Institutions) (Amendment) Bill 2017
and Companies (Amendment) Bill 2017

Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Sir/madam,

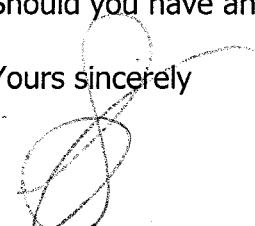
**Re: Bills Committee on Anti-Money Laundering and Counter-Terrorist
Financing (Financial Institutions) (Amendment) Bill 2017 and Companies
(Amendment) Bill 2017**

I refer to the letter from the Clerk to Bills Committee dated October 10, 2017 which invites comments on the captioned Bills.

On behalf of the Hong Kong Investment Funds Association (Appendix 1 for the backgrounder), I wish to express full support to the proposed Bills as we believe that they align Hong Kong's regulatory regime with international requirements as promulgated by the Financial Action Task Force ("FATF") and further reduce the risk of money laundering and terrorist financing so as to safeguard the integrity of Hong Kong as an international financial center.

Should you have any questions, please do not hesitate to contact me on 2537 9912.

Yours sincerely



Sally Wong
Chief Executive Officer

Hong Kong Investment Funds Association

Appendix 1

Hong Kong Investment Funds Association - Introduction

The Hong Kong Investment Funds Association (“HKIFA”) is an industry body that represents the fund management industry in Hong Kong. It was incorporated in 1986 as a company limited by guarantee.

The HKIFA has two major roles, namely consultation and education. On consultation, it acts as the representative and consulting body for its members and the fund management industry generally in all dealings concerning the regulation of unit trusts, mutual funds, retirement funds and other funds of a similar nature. Towards this end, it reviews, promotes, supports or opposes legislative and other measures affecting the fund management industry in Hong Kong. Another very important task is to educate the public about the role of investment funds in retirement planning and other aspects of personal financial planning.

The HKIFA has four categories of members, namely full member, overseas member, affiliate member and associate member. A fund company can qualify as a full member or an overseas member if it is either the manager or the investment adviser of at least one Investment Fund.

An “Investment Fund” means

- an authorized unit trust/mutual fund; or
- a pooled retirement fund authorized under the Code on Investment-Linked Assurance Schemes or the Code on Pooled Retirement Funds; or
- a retirement scheme registered under the Occupational Retirement Schemes Ordinance; or
- a provident fund scheme registered under the Mandatory Provident Fund Schemes Ordinance; or
- a closed-end investment company listed on a recognized exchange.

A full member must be a company incorporated in Hong Kong or if it is incorporated outside Hong Kong, has established a place of business in Hong Kong whereas an overseas member must be a company incorporated outside Hong Kong.

An affiliate member is a company that has obtained a licence from the Hong Kong Securities and Futures Commission for type 9 regulated activities or it is a fund company incorporated in the People’s Republic of China; and its primary business is fund management including the management of discretionary accounts, segregated portfolios or providing investment management services for non-collective investment schemes or the manager or investment adviser of any fund investment company or arrangement not included as an Investment Fund.

An associate member is a company conducting or providing any service of accounting, legal, trustee, custodian, administration, banking, distribution, and technological support to the fund management industry or any related professional services.

At present, HKIFA has 67 fund management companies as full/overseas members, managing about 1,320 SFC-authorized funds. Assets under management were about US\$1,200 billion as at the end of August 2017. In addition, we have 57 affiliate and associate members.

<http://www.hkifa.org.hk>

(Updated: October 2017)