

**First Addendum to the
Memorandum of Understanding (MoU)
between
the Securities and Futures Commission of Hong Kong
and
the Financial Conduct Authority
Concerning Mutual Recognition of Covered Funds and Covered
Management Companies and related Cooperation**

Dated 12 September 2019

The Securities and Futures Commission of Hong Kong (SFC) and the Financial Conduct Authority (FCA) are parties to a MoU concerning Mutual Recognition of Covered Funds and Covered Management Companies and related Cooperation dated 8 October 2018 which sets out their respective roles and responsibilities for enhancing cooperation in relation to (i) collective investment schemes domiciled in either Hong Kong or the United Kingdom (UK) and offered to the public in the UK and/or Hong Kong on a cross-border basis, and (ii) management companies of collective investment schemes, based in either Hong Kong or the UK.

FCA has published the Brexit Policy Statement (PS19/5) in February 2019, and may publish further Policy Statements if necessary, to ensure a functioning regulatory framework for financial services if the UK leaves the European Union (EU) without a withdrawal deal or implementation period (a no-deal scenario), including publishing the final instruments for a new regime for UK-domiciled collective investment schemes which will be effective on the exit day as defined in the EU (Withdrawal) Act 2019.

To ensure that the UK-Hong Kong mutual recognition of funds arrangement will continue to operate in a smooth manner after the withdrawal of the UK from the EU, the parties have agreed to enter into this Addendum to reflect consequential amendments to the MoU.

This Addendum is made pursuant to Article 11(1) of the MoU. This Addendum is known as the “First Addendum to the Memorandum of Understanding between the Securities and Futures Commission of Hong Kong and the Financial Conduct Authority concerning Mutual Recognition of Covered Funds and Covered Management Companies and related Cooperation”. This Addendum is supplemental to and forms part of the MoU, and shall be read in conjunction with the MoU unless otherwise stated.

Except as otherwise defined, words and expressions used in this Addendum shall have the same meanings as given to them in the MoU. Except as otherwise stated, references to particular articles and paragraphs in this Addendum shall mean those articles and paragraphs as set out in the MoU.

Article 1 Amendments to the MoU: The parties agree that:

(a) Paragraph w) of Article 1 of the MoU shall be deleted in entirety.

(b) Paragraph y) of Article 1 of the MoU shall be deleted in entirety and replaced with the following:

“y) “UK UCITS” means a collective investment scheme which is authorised as a UK Undertaking for Collective Investment in Transferable Securities by the FCA under Part 17 of FSMA or under the Financial Services and Markets Act 2000 (Open Ended Investment Company) Regulations 2001 (SI 2001/1228) (as amended).”

Article 2 Entry into force

This Addendum enters into force on the date European Union laws (including Directive 2009/65/EC) cease to have direct effect in the UK.

Securities and Futures Commission

Financial Conduct Authority

Ashley ALDER
Chief Executive Officer
Signed on 12 September 2019

Andrew BAILEY
Chief Executive Officer
Signed on 12 September 2019