

## White Paper

### Hong Kong Complex And Non-complex Funds

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This white paper addresses the following openfunds fields:

OFST710300	HK Is A Derivative Fund Under The SFC Code On Unit Trusts And Mutual Funds
OFST710301	HK Is A Derivative Fund Under The SFC Code On Unit Trusts And Mutual Funds Date
OFST710305	HK Jurisdiction And Publicity
OFST710312	HK Does Fund Intend To Use More Than 50 Percent Of Nav In Derivatives For Investment Purposes
OFST710315	HK Does Fund Intend To Use Or Invest In Derivatives
OFST710316	HK Does Fund Intend To Use Or Invest In Derivatives Date
OFST710320	HK Is Fund Not Understandable For Retail Investors
OFST710325	HK Is Investment Strategy Considered Complex
OFST710330	HK Does Fund Invest In Instruments Without Secondary Market
OFST710335	HK Does Fund Invest In Instruments Without Transparent Information For Retail Investors
OFST710340	HK Does Fund Invest In Instruments That May Lose More Than Invested Amount
OFST710345	HK Does Fund Invest In Instruments Which Terms Could Fundamentally Changes The Nature Or Risk Or Pay-out Profile
OFST710350	HK Does Fund Invest In Instruments Which Terms Might Harm Liquidity Or Recoverability
OFST710360	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Loss-absorption Products
OFST710361	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Loss-absorption Products Date
OFST710120	HK SFC Is Maximum Exposure To Virtual Assets More Than 10 Percent Of GAV
OFST710121	HK Is Maximum Exposure To Virtual Assets More Than 10 Percent Of GAV Date
OFST710380	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In High-Yield Bonds
OFST710381	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In High-Yield Bonds Date
OFST710130	HK Is RQFII Fund
OFST710131	HK Is RQFII Fund Date
OFST710385	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Insurance Linked Securities
OFST710386	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Insurance Linked Securities Date

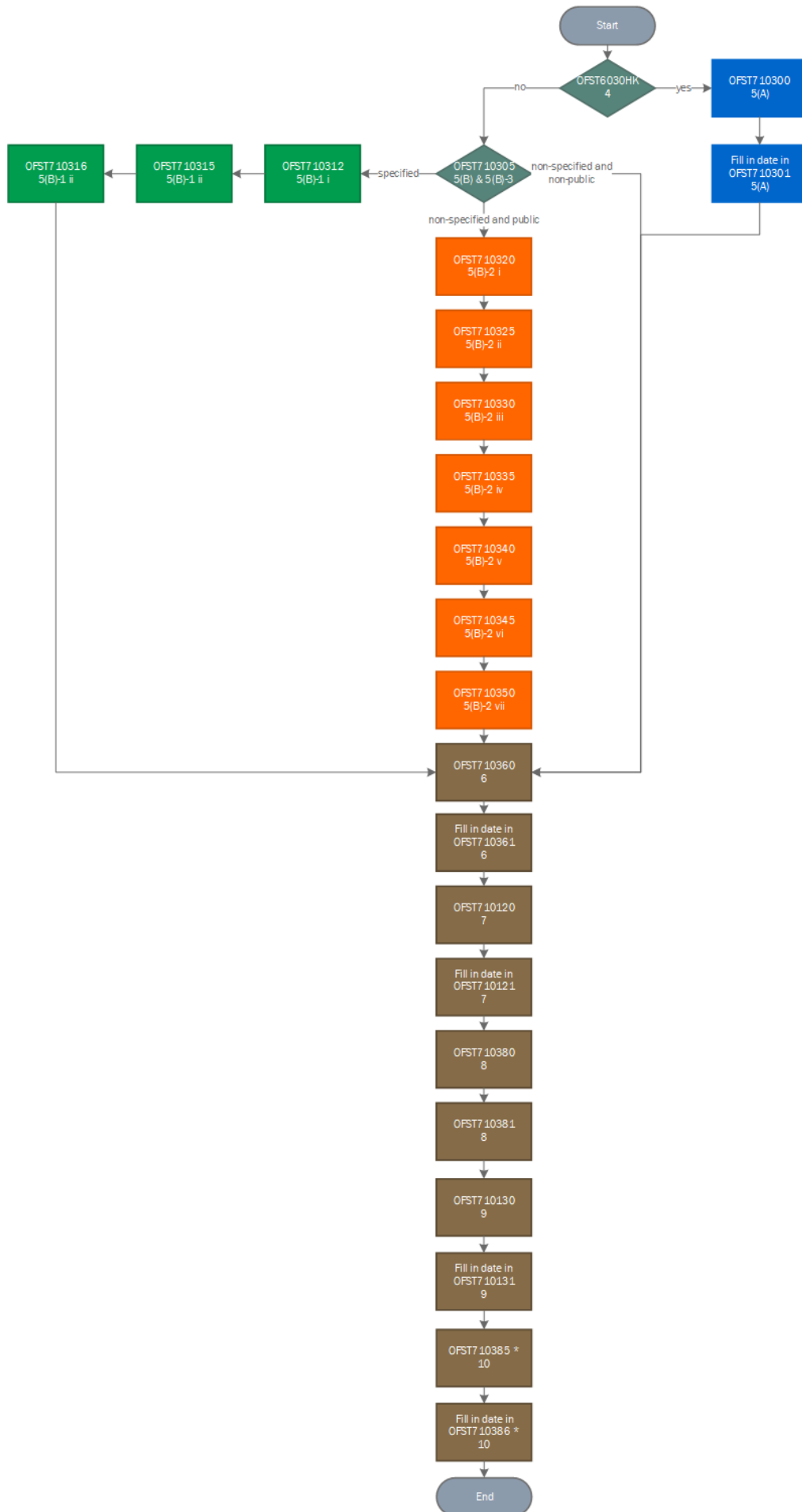
#### Requirement of the Securities and Futures Commission (SFC)

According to the SFC Platform Operators should determine whether an overseas product is complex or non-complex with regards to paragraph 6.1 of the [Guidelines on Online Distribution and Advisory Platforms](#). A non-exhaustive list of examples of investment products that are considered to be non-complex can be accessed [here](#). For offline transactions, intermediaries should also consider the list of examples and the paragraph 5.5 of the [Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission](#) to determine whether an overseas product is complex or non-complex.

#### Guidance for the use of the openfunds fields

The above mentioned fields can be used by a Platform Operator to determine if a fund is a complex or a non-complex fund. The following flowchart shall help the Fund Houses to decide which fields should be filled in.

# openfunds



PMWA No	OF-ID	Field Name
4	OFST6030HK	Country Legal Registration - Hong Kong
5(A)	OFST710300	HK Is A Derivative Fund Under The SFC Code On Unit Trusts And Mutual Funds
5(A)	OFST710301	HK Is A Derivative Fund Under The SFC Code On Unit Trusts And Mutual Funds Date
5(B) + 5(B)-3	OFST710305	HK Jurisdiction And Publicity
5(B)-1 i	OFST710312**	HK Does Fund Intend To Use More Than 50 Percent Of Nav In Derivatives For Investment Purposes
5(B)-1 ii	OFST710315	HK Does Fund Intend To Use Or Invest In Derivatives
5(B)-1 ii	OFST710316	HK Does Fund Intend To Use Or Invest In Derivatives Date
5(B)-2 i	OFST710320	HK Is Fund Not Understandable For Retail Investors
5(B)-2 ii	OFST710325	HK Is Investment Strategy Considered Complex
5(B)-2 iii	OFST710330	HK Does Fund Invest In Instruments Without Secondary Market
5(B)-2 iv	OFST710335	HK Does Fund Invest In Instruments Without Transparent Information For Retail Investors
5(B)-2 v	OFST710340	HK Does Fund Invest In Instruments That May Lose More Than Invested Amount
5(B)-2 vi	OFST710345	HK Does Fund Invest In Instruments Which Terms Could Fundamentally Changes The Nature Or Risk Or Pay-out Profile
5(B)-2 vii	OFST710350	HK Does Fund Invest In Instruments Which Terms Might Harm Liquidity Or Recoverability
6	OFST710360	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Loss-absorption Products
6	OFST710361	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Loss-absorption Products Date
7	OFST710120	HK Is Maximum Exposure To Virtual Assets More Than 10 Percent Of GAV
7	OFST710121	HK Is Maximum Exposure To Virtual Assets More Than 10 Percent Of GAV Date
8	OFST710380	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In High-Yield Bonds
8	OFST710381	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In High-Yield Bonds Date
9	OFST710130	HK Is RQFII Fund
9	OFST710131	HK Is RQFII Fund Date
10	OFST710385 *	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Insurance Linked Securities
10	OFST710386 *	HK Does Fund Intend To Hold More Than 50 Percent Of NAV In Insurance Linked Securities Date

If the value of the field “OFST6030HK Country Legal Registration – Hong Kong” is “yes”, then the blue marked fields (OFST710300 and OFST710301) must be filled in. In addition, the brown marked fields must be filled in as well. The fields in green and orange should be left blank.

If the value of the field “OFST6030HK Country Legal Registration – Hong Kong” is “no” then the field “OFST710305 Jurisdiction And Publicity” must be filled in while the blue fields should be left blank. Depending on the value, the following fields have to be populated:

- The value of “OFST710305” is “specified”: The green marked fields and the brown must be filled in. The orange and the blue fields should be left blank.
- The value of “OFST710305” is “non-specified and public”: The orange marked fields and the brown fields must be filled in. The green and the blue fields should be left blank.
- The value of “OFST710305” is “non-specified and non-public”: Only the brown marked fields must be filled and the other fields (green, orange and blue) should be left blank.

Depending on which path is the right one for a fund, the blue, green or orange fields must be filled in. Regardless of whether the blue, green or orange fields must be completed or left blank, the brown fields must be populated.

Please note: in version 2.0 of fields the field *OFST710310 HK Has Fund Used Derivatives For Investment Purposes* was replaced by *OFST710312 HK Does Fund Intend To Use More Than 50 Percent Of Nav In Derivatives For Investment Purposes*, which is intended to be used in the same function as the previous field.

# openfunds

## Document Information

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## Revision History

Version	Date	Status	Notice
1.2	2024-03-08	Final	Updated for v2.0 of openfunds
1.1	2022-03-21	Final	Updated for v1.28 of openfunds
1.0	2019-08-22	Final	

## Implementation

If you have any questions about the new data type or difficulties with implementation please contact us at [businessoffice@openfunds.org](mailto:businessoffice@openfunds.org).

## Joining openfunds

If your firm has a need to reliably send or receive fund data, you are more than welcome to use the openfunds fields and definitions free-of-charge. Interested parties can contact the openfunds association by sending an email to: [businessoffice@openfunds.org](mailto:businessoffice@openfunds.org)

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