

LEGISLATIVE COUNCIL BRIEF

Limited Partnership Fund Bill

INTRODUCTION

A At the meeting of the Executive Council on 17 March 2020, the Council **ADVISED** and the Chief Executive **ORDERED** that the Limited Partnership Fund Bill (“the Bill”), at **Annex A**, should be introduced into the Legislative Council (“LegCo”) to establish a registration regime for limited partnership funds (“LPF”) to set up and operate in Hong Kong.

JUSTIFICATIONS

Development of Hong Kong’s asset and wealth management industry

2. We have witnessed in recent years robust growth in wealth creation in Asia, increase in portfolio allocation to the Asian markets, and deepening financial market liberalisation in Mainland China. All these are beneficial to Hong Kong’s development as a premier international asset and wealth management centre in the region. The Government has been stepping up efforts to sharpen Hong Kong’s competitive edge on asset and wealth management. One of the key policy initiatives is to diversify our fund structures to encourage fund formation in Hong Kong.

Private Equity (“PE”) Funds

3. Further to the introduction of the new open-ended fund company regime in July 2018, we need to further diversify our fund structures to meet the industry’s changing needs. In recent years, PE funds (including venture capital (“VC”) funds) are gaining popularity amongst investors and have become a key impetus to the growth of asset and wealth management

business. The PE industry would continue to play a pivotal role in channelling capital into corporates, especially start-ups in the innovation and technology field in the Greater Bay Area. As at end-2019, the total capital under management by some 560 PE firms operating in Hong Kong reached about USD 160 billion¹. This puts Hong Kong second in Asia, after Mainland China. With an active initial public offering market for PE-backed companies and proximity to Mainland China with the availability of major PE deals, Hong Kong is well placed to expand its PE business.

Limited partnership as a vehicle for PE fund

4. Currently, a fund may be established in Hong Kong in the form of a unit trust or an open-ended fund company. These fund structures are, however, more popular among public funds or hedge funds. Meanwhile, it is more common for private funds such as PE funds to be established in the form of a limited partnership.

5. In Hong Kong, our Limited Partnerships Ordinance (Cap. 37) (“LPO”) was enacted about a century ago. It is not tailored to and cannot quite meet the needs of investment funds which are a relatively modern invention. For example, the LPO does not have provisions which allow flexibility in capital contributions and distribution of profits, or allow a fund to have the necessary contractual flexibility, or provide a straightforward dissolution mechanism. The absence of these features under the LPO discourages fund managers from using Hong Kong as the base for PE fund registration.

6. The industry has been calling for an early introduction of a tailor-made limited partnership regime for attracting investment funds to establish and operate in Hong Kong. This will bring more jobs and business opportunities to the local fund and related industries. The industry also points out that it would be vital to grasp the opportunity of potential shifting of fund structures and activities from offshore to onshore, as a result of Base Erosion and Profit Shifting package of the OECD which requires taxation to happen where asset management activities take place. This development should incentivise the funds to align their structures with business activities. Against such a backdrop, as announced in “The Chief Executive’s 2018 Policy Address” and the 2018-19 Budget, the

¹ Source: Asian Venture Capital Journal.

Government would examine the feasibility of introducing a limited partnership regime specifically for funds in Hong Kong.

7. A task force led by the Financial Services Branch and comprising members from the Hong Kong Monetary Authority, the Securities and Futures Commission (“SFC”), the Treasury Branch and the Inland Revenue Department (“IRD”) has come up with the proposals as set out in paragraphs 9 to 31 below. In doing so, the task force has taken into account the local market landscape, overseas regulatory experience², as well as international market and regulatory trends. The objective is to facilitate industry development whilst ensuring investor protection and sufficient economic substance in Hong Kong. We expect the new fund vehicle to be a pull factor for private funds (especially PE and VC funds) to set foot in Hong Kong and a crucial piece of the puzzle in developing Hong Kong into a full-fledged fund service centre.

THE PROPOSAL

8. The key features of the proposed LPF regime are set out in paragraphs 9 to 31 below.

Constitution of an LPF

9. An LPF will be a fund that is structured in a limited partnership form and will be used for the purpose of managing investments for the benefit of its investors. The proposed LPF structure is not in itself a legal person.

10. Similar to the regime under the LPO and the prevailing overseas practice in major fund formation centres, the LPF regime will be a registration scheme³. A fund qualifying for registration under the LPF regime must be constituted by at least two partners (one general and one limited) under a written agreement. The general partner of an LPF has unlimited liability in respect of the debts and obligations of the fund and

² Examples include the United Kingdom, Ireland, Singapore, the Cayman Islands, Delaware/USA and Luxembourg.

³ An LPF would not need SFC authorization at the fund level unless the fund is offered to the public, and no exemption under the Securities and Futures Ordinance (Cap. 571) (“SFO”) is applicable. If a general partner or an investment manager of an LPF carries on a business in a regulated activity as defined in the SFO in Hong Kong, the general partner or investment manager must obtain the appropriate licence from the SFC, unless exemption applies.

ultimate responsibility for the management and control of the fund. On the other hand, the limited partner(s) in an LPF who are essentially investors will not have day-to-day management rights or control over the underlying assets held by the LPF and hence their liability will generally be limited up to the commitment they make to the fund. They, however, will have the right to participate in the prescribed/agreed safe harbour activities (see paragraph 23).

11. A fund qualifying for registration under the LPF regime –
 - (a) must have one general partner and at least one limited partner, whereby –
 - (i) the general partner must be a private company limited by shares incorporated in Hong Kong, a non-Hong Kong company registered with the Companies Registry (“CR”) of Hong Kong, a limited partnership (whether domestic or foreign), a limited partnership fund or an individual;
 - (ii) a limited partner must be an individual, a corporation, a partnership, an unincorporated body or any other entity or body;
 - (b) must be constituted by a written agreement (i.e. limited partnership agreement (“LPA”));
 - (c) must have a registered office in Hong Kong;
 - (d) must have an investment manager appointed by the general partner to carry out the day-to-day investment management functions. The investment manager must be a Hong Kong resident above 18 years old, a Hong Kong company, or a non-Hong Kong company registered with the CR. The general partner, if meeting the above criteria, can appoint itself as the investment manager of the LPF;
 - (e) must have an independent auditor appointed by the general partner to carry out audits of the financial statements of the

LPF annually. The auditor must be a practice unit as defined in section 2(1) of the Professional Accountants Ordinance (Cap. 50);

- (f) must appoint a person (“responsible person”) to carry out anti-money laundering/counter-terrorist financing (“AML/CTF”) functions as stipulated under Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (“AMLO”) for the LPF⁴ to fulfil the standards set out by the Financial Action Task Force. The responsible person must be an authorized institution, a licensed corporation, an accounting professional or a legal professional⁵; and
- (g) if the general partner has no legal personality because it is another LPF or a non-Hong Kong limited partnership without legal personality, the LPF must have an authorized representative with a legal personality to be responsible for the management and control of the LPF and to be jointly and severally liable with the general partner for all the debts and obligations of the LPF.

Registration requirements

12. Under the proposed LPF regime, a fund wishing to register must submit an application to the Registrar of Companies (“RoC”), similar to the arrangement for registration with the RoC under the LPO. In gist, it is an opt-in registration scheme which does not preclude overseas limited partnership funds from operating in Hong Kong in parallel to LPF.

⁴ Including for example, conducting customer due diligence in respect of all investors (including all limited partner(s) as well as their beneficial owners, as the case may be) of the LPF, and keeping records obtained in the course of customer due diligence and files relating to every customer’s account and business correspondence with the customer and any beneficial ownership of the customer, as well as documents of each transaction between the LPF and the investor.

⁵ For definitions of “authorized institution” and “licensed corporation”, please refer to the Banking Ordinance (Cap. 155) and the SFO respectively. For definitions of “accounting professional” and “legal professional”, please refer to the AMLO.

13. An application must be submitted by a registered Hong Kong law firm or a solicitor admitted to practise Hong Kong law in Hong Kong on behalf of the fund. The application must contain the following documents/information and a fee at a specified amount –

- (a) the proposed name of the LPF;
- (b) the name, address, identification number and signature of the proposed general partner;
- (c) the proposed address of the registered office of the LPF in Hong Kong;
- (d) the proposed investment scope and proposed principal place of business of the LPF;
- (e) the name and identification number of the proposed investment manager;
- (f) the name and identification number of the proposed responsible person;
- (g) a declaration and undertaking from the proposed general partner that the fund is intended to be set up as a limited partnership fund and meets the eligibility requirements, together with an acknowledgement that it is an offence to make a false, misleading or deceptive statement; and
- (h) the name and contact information of the law firm/solicitor submitting the application.

14. Upon receiving an application, if the RoC is satisfied that the application contains the documents/information made in the specified manner and the specified fee is paid, the RoC will register the fund as an LPF and issue a certificate of registration of LPF as proof of registration.

15. The RoC will maintain a register of LPFs containing the documents/information submitted by an LPF in its application and any subsequent changes reported (“LPF Register”). The LPF Register will be

open for public inspection upon payment of a specified fee. Maintaining an LPF Register will provide useful information to investors and parties which deal with an LPF. It is in line with the existing practice of maintaining the Companies Register for conventional companies for public inspection.

16. If there is any change in the particulars provided upon registration, the general partner in an LPF must notify the RoC within a specified period of time, and pay a specified fee to the RoC.

Other statutory obligations

17. The general partner must file an annual return to the RoC on behalf of the fund. The return must include a declaration that the LPF has been in operation, or has carried on business as a fund, during the year and will be in operation, or will carry on business as a fund, in the following year, together with a specified fee.

18. A general partner/investment manager will be required to maintain proper record of the following documents/information in relation to the LPF's operation and transactions at the registered office of the LPF or any other place in Hong Kong made known to the RoC –

- (a) the financial statements of the LPF audited by an auditor;
- (b) a register of partners containing the particulars of the general partner and each limited partner (including their identities, contact information, total amount of capital contribution, etc.);
- (c) records and documents obtained in the course of customer due diligence and files relating to every customer's account and business correspondence with the customer and any beneficial owner of the customer in accordance with section 20(1)(b) of Schedule 2 to the AMLO;
- (d) documents and records of each transaction carried out by the LPF; and

- (e) information of the controller of each of the partners in the LPF (for Exchange of Information purposes, as per the requirements of the OECD).

19. The financial statements of an LPF must be made available to all partners in the fund. Whilst all the above records will not be open for public inspection, they are accessible by law enforcement officers as and when necessary.

20. The general partner must ensure that there are proper custody arrangements for the assets of the LPF.

21. The general partner must apply for a Business Registration Certificate for the LPF under the Business Registration Ordinance (Cap. 310) at the time of registration⁶.

Contractual freedom among partners

22. To cater for the operational needs of PE funds, we propose that the partners in an LPF will have freedom of contract in respect of the operation of the LPF subject to the provisions of the Bill. These cover admission and withdrawal of partners, organisation and governance of the LPF, investment scope and strategy of the LPF, the rights and obligations of partners, financial arrangements among the partners, custodial arrangement, etc..

Safe harbour activities for limited partner(s)

23. We appreciate that clear-cut limited liability for limited partner(s) in an LPF lies at the core of its attractiveness to investors. With reference to overseas experience, we propose that a limited partner may conduct certain safe harbour activities, which will not be regarded as management of the LPF and hence will not compromise its limited liability protection

⁶ Taking into account the fact that the confidentiality of limited partner(s) in PE funds is considered critical, we propose that at the time of application for business registration, the identity of limited partner(s) in an LPF would not need to be reported to the IRD and published on the LPF Register. That said, an LPF is still required to maintain a proper record of information about its limited partner(s) for inspection by the law enforcement agencies when necessary (see paragraph 19) and perform anti-money laundering/counter-terrorist financing control (see paragraph 11(f)).

in respect of that LPF. Some examples of safe harbour activities include serving on a board/committee of the LPF, advising or approving the general partner/investment manager on the business, accounts, valuation or assets of the LPF, taking part in a decision about the admission/withdrawal of any partner, the term of the LPF, the appointment of investment manager, changing the investment scope of the LPF and so forth.

Dissolution and liquidation mechanisms

24. PE funds often have specific investment targets and cycles and hence a limited term (normally around eight to ten years). A straightforward and cost efficient dissolution mechanism to bring an LPF's business to an end is critical to fund operation. We propose that partners of an LPF would have the right to agree among themselves in the LPA the conditions and procedures under which the fund could be dissolved voluntarily. After the fund is dissolved, the general partner must file a notification to the RoC within a specified time. Under certain conditions, an LPF may be dissolved by the Court for investor protection purpose and on just and equitable ground.

25. In addition, an LPF may be wound up by the Court if a winding up petition is presented to the Court against the LPF under certain conditions. In this case, an LPF may be wound up by the Court as an unregistered company in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).

Migration of LPO-fund

26. We intend to provide a streamlined channel for qualified fund(s) already registered under the LPO to migrate to the LPF regime. Upon migration by submitting the same documents/information as set out in paragraph 13 to the RoC, the fund would preserve the identity and continuity. The migration would not carry profits tax and stamp duty implications.

Enforcement powers

27. It is proposed that the RoC would be provided with the following major enforcement powers to implement the regime –

- (a) the power to strike an LPF's name off the LPF Register when, for example –
 - (i) the LPF does not meet the eligibility requirements; or
 - (ii) the LPF is not in operation or is not carrying on business as a fund after 24 months of registration.
- (b) the power to require production of any records or information relating to the operation and business activities of an LPF, including but not limited to the records mentioned in paragraph 18; and
- (c) the power to direct an LPF to change its name in accordance with the naming rules stipulated in the Bill.

28. We propose that the Financial Secretary will be given powers to make regulations for the purpose of this Bill and prescribe the following arrangements –

- (a) arrangements as not being funds;
- (b) words requiring the RoC's prior approval for use in the name of an LPF; and
- (c) designating new authorities in addition to those already specified in the Bill to have the power to access an LPF's records.

29. Moreover, we propose giving powers to the Court for rectification/removal of any information on the LPF Register.

Offences and penalties

30. Modelling on the offences and penalties applicable to conventional companies, we propose to make it an offence under the LPF regime for certain actions taken or omitted by the key personnel of an LPF. They include –

- (a) soliciting investors by claiming an entity as an LPF or carrying on business of an entity in the form of an LPF, which is in fact not the case;
- (b) the making of false statement or giving false information to the RoC;
- (c) failure to have a registered office in Hong Kong;
- (d) failure to fulfil the statutory obligations, including filing an annual return, filing a notification of change, or destroying documents;
- (e) failure to comply with a direction given by the RoC;
- (f) failure to comply with the AML/CTF requirements; or
- (g) purporting to dissolve an LPF in accordance with the LPA but the way in which the LPF is purportedly dissolved does not comply with the LPA.

When proposing the penalty levels for the offences, we drew reference to those applicable to conventional companies.

Appeal mechanisms

31. We aim to provide a mechanism for the affected parties to appeal against the RoC's decisions with reference to the existing practice of conventional companies. If any person is aggrieved by the RoC's decision to refuse to register an LPF or register a document, the person may appeal to the Court of First Instance against the decision. If the decision is related to the change of an LPF's name by the RoC, the person may appeal to the Administrative Appeals Board against the decision.

OTHER MATTERS

Tax and stamp duty treatment

32. Like other funds operating in Hong Kong, an LPF meeting the definition of “fund” under section 20AM of the Inland Revenue Ordinance (Cap. 112) (“IRO”) and subject to certain exemption conditions set out in the provisions of the IRO can enjoy profits tax exemption on transactions in qualifying assets specified in Schedule 16C to the IRO and transactions incidental to the carrying out of qualifying transactions.

33. As to stamp duty, we intend to apply the same arrangements of a limited partnership to an LPF.⁷

OTHER OPTIONS

34. We need to introduce the Bill in order to put in place a registration regime for LPF to set up in Hong Kong. The existing limited partnerships registered under the LPO cut across a wide spectrum of business (e.g. professional services, restaurants and game centres). Many of the key features of the LPF regime are tailor-made for PE funds and hence not applicable to the existing limited partnerships of other business natures registered under the LPO. There is no other option.

THE BILL

35. The main provisions of the Bill are as follows –

(a) Part 1 contains definitions for the interpretation of the Bill;

⁷ An interest in an LPF is not a share, stock, debenture, loan stock, fund, bond or note issued by the LPF, nor is it a unit under a unit trust scheme. It does not fall within the definition of “stock” under section 2 of the Stamp Duty Ordinance (Cap. 117). Accordingly, an instrument under which an interest in an LPF is contributed/transferred/withdrawn is not chargeable with stamp duty. Meanwhile, an LPF may accept capital contributions in cash or in kind as provided in its LPA. In-kind capital contributions in relation to the transfer of dutiable assets (such as Hong Kong stock or immovable property) would be subject to stamp duty. The distribution of profits and assets of LPF to the limited partner(s) will also be permitted in accordance with the terms of the LPA. Transfer of dutiable assets by an LPF to a limited partner would be subject to stamp duty.

- (b) Part 2 provides for how a fund may be registered as an LPF, including the eligibility for registration and naming requirements of an LPF;
- (c) Part 3 contains provisions concerning the operation of an LPF, such as rights, responsibilities and liabilities of the partners, the appointment of an investment manager and auditor, keeping of records, anti-money laundering and counter-terrorist financing and the change of the name;
- (d) Part 4 provides for the establishment and maintenance of the LPF Register and Index by the RoC;
- (e) Part 5 provides for the striking off and deregistration of an LPF;
- (f) Part 6 provides for the dissolution and winding up of an LPF;
- (g) Part 7 provides how a fund set up in the form of a limited partnership registered under the LPO may be migrated to the LPF regime;
- (h) Part 8 creates various offences for the LPF regime;
- (i) Part 9 contains miscellaneous provisions, including those concerning the application of the Partnership Ordinance (Cap. 38) to an LPF, the power of the Financial Secretary to make regulations and the power of RoC to specify forms;
- (j) Part 10 contains related and consequential amendments made to various enactments;
- (k) Schedule 1 sets out the information required in an application for registration as an LPF;
- (l) Schedule 2 sets out the safe harbour activities, the conduct of which by a limited partner will not be regarded as taking part in the management of the LPF;
- (m) Schedule 3 sets out the amounts of the fees payable under the Bill.

LEGISLATIVE TIMETABLE

36. The legislative timetable will be –

Publication in the Gazette	20 March 2020
First Reading and commencement of Second Reading debate	25 March 2020
Resumption of Second Reading debate, committee stage and Third Reading	To be notified

IMPLICATIONS OF THE PROPOSAL

37. The Bill is in conformity with the Basic Law, including the provisions concerning human rights. There are no environmental, productivity, family or gender implications, and no sustainability implications other than the economic implications set out at **Annex B**.

B

PUBLIC CONSULTATION

38. The Government conducted a four-week industry consultation on our preliminary proposals in July – August 2019. There was general support for the introduction of an LPF regime in Hong Kong which was considered a very positive and significant move in entrenching Hong Kong's position as a premier asset and wealth management hub. The proposals as set out in paragraphs 9 to 31 above have taken into account the industry's feedback.

39. We briefed the LegCo Panel on Financial Affairs on the proposals on 2 December 2019. Members were generally in support of our proposals.

PUBLICITY

40. We will issue a press release on the gazettal of the Bill. We will also arrange a spokesperson to answer media enquiries.

ENQUIRIES

41. Enquiries relating to this brief can be directed to Ms Estrella Cheung, Principal Assistant Secretary for Financial Services and the Treasury (Financial Services), at 2810 2054.

**Financial Services Branch
Financial Services and the Treasury Bureau
18 March 2020**

Limited Partnership Fund Bill

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A BILL

To

Provide for the registration of funds as limited partnership funds; to provide for the operation, striking off, deregistration, dissolution and winding up of the registered funds; and to provide for incidental and related matters.

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title and commencement

- (1) This Ordinance may be cited as the Limited Partnership Fund Ordinance.
- (2) This Ordinance comes into operation on 31 August 2020.

2. Interpretation

In this Ordinance—

agreed contribution (協定注資), in relation to a limited partner in a limited partnership fund, means any contribution (whether in the form of property, services or otherwise), valued at a stated amount, that the limited partner has agreed to make to the fund in the capacity of a limited partner;

authorized institution (認可機構) has the meaning given by section 2(1) of the Banking Ordinance (Cap. 155);

authorized representative (獲授權代表), in relation to a limited partnership fund, means a person appointed under section 23;

business registration certificate (商業登記證) means a certificate issued under section 6(3) of the Business Registration Ordinance (Cap. 310);

company (公司) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622);

Court (法庭) means the Court of First Instance;

document (文件) includes a document in electronic form or any other form;

entity (實體) means a natural person, a body of persons (incorporated or unincorporated) or a legal arrangement, and includes—

- (a) a corporation;
- (b) a partnership; and
- (c) a trust;

former Companies Ordinance (《舊有公司條例》) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622);

fund (基金)—see section 3;

general partner (普通合夥人), in relation to a limited partnership fund, means a partner in the fund that is not a limited partner;

group of companies (公司集團) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622);

identity card (身分證) has the meaning given by section 1A(1) of the Registration of Persons Ordinance (Cap. 177);

in electronic form (電子形式) has the meaning given by section 20(1) of the Companies Ordinance (Cap. 622);

investment manager (投資經理), in relation to a limited partnership fund, means a person appointed under section 20(1);

licensed corporation (持牌法團) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

limited partner (有限責任合夥人), in relation to a limited partnership fund, means a partner in the fund whose liability for the debts or obligations of the fund is, under the terms of the limited partnership agreement of the fund, limited to the amount of the partner's agreed contribution;

limited partnership (有限責任合夥) means a partnership consisting of—

- (a) one or more than one partner, each commonly called a general partner, who is liable for all debts and obligations of the partnership; and
- (b) one or more than one partner, each commonly called a limited partner, who—
 - (i) under an agreement entered into among the partners in the partnership, agrees to make contributions (whether in the form of property, services or otherwise) valued at a stated amount to the partnership; and
 - (ii) is not liable for the debts and obligations of the partnership beyond the stated amount;

limited partnership agreement (有限合夥協議), in relation to a limited partnership fund, means a written agreement entered into among the partners in the fund for forming a limited partnership for the purposes of the fund;

limited partnership fund (有限合夥基金) means a fund registered as a limited partnership fund under section 12;

LPF Index (《基金索引》) means the index of the names of limited partnership funds established and maintained under section 50;

LPF Register (《基金登記冊》) means the register of limited partnership funds established and maintained under section 47;

Monetary Authority (金融管理專員) means the Monetary Authority appointed under section 5A(1) of the Exchange Fund Ordinance (Cap. 66);

non-Hong Kong limited partnership (非香港有限責任合夥) means a limited partnership that—

- (a) is not a limited partnership fund or a limited partnership registered under the Limited Partnerships Ordinance (Cap. 37); and
- (b) is permitted, authorized, formed or registered under the laws of a jurisdiction outside Hong Kong;

partner (合夥人), in relation to a limited partnership fund, means the general partner or a limited partner in the fund;

partnership (合夥) means—

- (a) a partnership within the meaning of the Partnership Ordinance (Cap. 38); or
- (b) a relation of a similar nature that is permitted, authorized, formed or registered under the laws of a jurisdiction outside Hong Kong;

private company limited by shares (私人股份有限公司) means a company that is—

- (a) a private company within the meaning of section 11 of the Companies Ordinance (Cap. 622); and
- (b) a company limited by shares within the meaning of section 8 of the Companies Ordinance (Cap. 622);

property (財產) includes—

- (a) money, goods, choses in action and land, whether in Hong Kong or elsewhere; and

- (b) obligations, easements and every description of estate, interest and profit, present or future, vested or contingent, arising out of or incident to property defined in paragraph (a);

registered non-Hong Kong company (註冊非香港公司) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622);

registered office (註冊辦事處), in relation to a limited partnership fund, means the registered office of the fund referred to in section 18;

Registrar (處長) means the Registrar of Companies appointed under section 21(1) of the Companies Ordinance (Cap. 622);

responsible person (負責人), in relation to a limited partnership fund, means a person appointed under section 33(1);

Securities and Futures Commission (證監會) means the Securities and Futures Commission referred to in section 3(1) of the Securities and Futures Ordinance (Cap. 571);

solicitor (律師) has the meaning given by section 2(1) of the Legal Practitioners Ordinance (Cap. 159);

specified fee (指明費用) means a fee specified in Schedule 3;

specified form (指明格式) means a form specified under section 94;

specified manner (指明方式) means the manner of delivery specified under section 94.

3. Meaning of fund

- (1) Subject to subsection (2), an arrangement in respect of any property is a fund if—
 - (a) either or both of the following apply—

- (i) the property is managed as a whole by, or on behalf of, the persons operating the arrangement (*operating persons*);
- (ii) the contributions of the persons participating in the arrangement (*participating persons*), and the profits or income from which payments are made to them, are pooled;
- (b) under the arrangement, the participating persons do not have day-to-day control over the management of the property, whether or not they have the right to be consulted or to give directions in respect of the management; and
- (c) the purpose or effect, or purported purpose or effect, of the arrangement is to enable one or more operating persons and participating persons, whether by acquiring any right, interest, title or benefit in the arrangement, to participate in or receive—
 - (i) profits, income, gains or other returns which arise, or are expected to arise, from the acquisition, holding, management or disposal of all or any part of the property, or sums to be paid or expected to be paid out of any such profits, income, gains or other returns;
 - (ii) a payment or other returns arising from the acquisition, holding, management or disposal of all or any part of the property; or
 - (iii) a payment or other returns arising from the exercise of any right in, or redemption or expiry of, any right, interest, title or benefit in the arrangement.
- (2) An arrangement is not a fund if—

- (a) the arrangement is operated by a person otherwise than by way of business;
- (b) each of the persons participating in the arrangement is—
 - (i) a bona fide employee or former employee of a corporation in the same group of companies as the person operating the arrangement; or
 - (ii) a spouse, widow, widower, minor child (natural or adopted) or minor step-child of such employee or former employee;
- (c) the arrangement is a franchise arrangement under which the franchisor or franchisee earns profits or income by exploiting a right conferred by the arrangement to use a trade name or design or other intellectual property or the goodwill attached to it;
- (d) money under the arrangement is taken by a solicitor (whether from the solicitor's client or as a stakeholder) acting in the solicitor's professional capacity in the ordinary course of practice;
- (e) the arrangement is made for the purposes of a fund or scheme maintained by—
 - (i) the Securities and Futures Commission; or
 - (ii) a recognized exchange company, recognized clearing house, recognized exchange controller or recognized investor compensation company,

under the Securities and Futures Ordinance (Cap. 571) for providing compensation in the event of default by an exchange participant or a clearing participant;
- (f) the arrangement is made by a credit union registered under the Credit Unions Ordinance (Cap. 119) in accordance with the objects of the credit union;

- (g) the arrangement is made for the purposes of a chit-fund permitted to operate under the Chit-Fund Businesses (Prohibition) Ordinance (Cap. 262); or
- (h) the arrangement is an arrangement, or is of a class or description of arrangements, prescribed by notice under section 4 as not being regarded as a fund in accordance with the terms of the notice.

(3) In this section—

clearing participant (結算所參與者) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

exchange participant (交易所參與者) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

recognized clearing house (認可結算所) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

recognized exchange company (認可交易所) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

recognized exchange controller (認可控制人) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

recognized investor compensation company (認可投資者賠償公司) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571).

4. Financial Secretary may prescribe arrangements as not being funds

- (1) For the purposes of section 3(2)(h), the Financial Secretary may by notice published in the Gazette prescribe, either generally or

- in a particular case, that an arrangement, or a class or description of arrangements, is not to be regarded as a fund.
- (2) Without limiting subsection (1), a notice under that subsection may prescribe the circumstances under which or the purposes for which an arrangement, or a class or description of arrangements, referred to in the notice is not to be regarded as a fund.

5. References to general partner

If a limited partnership fund has an authorized representative, a reference to the general partner in the fund in the following provisions is a reference to the authorized representative—

- (a) section 18(3);
- (b) section 20(1);
- (c) section 21(1);
- (d) section 22;
- (e) section 24(1), (2)(c) and (3);
- (f) section 25(1) (except paragraphs (a) and (b)) and (4);
- (g) section 26(1);
- (h) section 28;
- (i) section 29(2)(a);
- (j) section 30(2)(b);
- (k) section 31(1) and (4);
- (l) section 33(1);
- (m) section 40(2) and (4);
- (n) section 51(1)(h)(ii);
- (o) section 56(1), (2) (except paragraph (b)) and (3);
- (p) section 57(2) and (3);

- (q) section 58(2);
- (r) section 59(1)(b)(ii);
- (s) section 65(1), (3)(b) and (4);
- (t) section 66(2)(a), (3)(c)(ii) and (4);
- (u) section 68(1);
- (v) section 71(1)(e) and (2)(a) and (b);
- (w) section 72(1) and (2)(a);
- (x) section 82(1) and (2);
- (y) section 85;
- (z) section 95(2).

6. References to delivering documents

In this Ordinance, a reference to delivering a document includes sending, supplying, forwarding or producing it.

Part 2

Registration of Limited Partnership Funds

Division 1—Eligibility

7. Eligibility

- (1) A fund is eligible to be registered as a limited partnership fund if, on its registration as a limited partnership fund—
 - (a) the fund is constituted by a limited partnership agreement, and the arrangements in the agreement do not contravene this Ordinance or any other applicable law;
 - (b) the fund has one general partner and at least one limited partner;
 - (c) the general partner in the fund is—
 - (i) a natural person who is at least 18 years old;
 - (ii) a private company limited by shares incorporated under the Companies Ordinance (Cap. 622) or a former Companies Ordinance;
 - (iii) a registered non-Hong Kong company;
 - (iv) a limited partnership registered under the Limited Partnerships Ordinance (Cap. 37);
 - (v) a limited partnership fund;
 - (vi) a non-Hong Kong limited partnership with a legal personality; or
 - (vii) a non-Hong Kong limited partnership without a legal personality;
 - (d) every limited partner in the fund is—

- (i) a natural person (whether in the person’s capacity as trustee, or in the person’s own or any representative capacity); or
 - (ii) a corporation, a partnership of any kind, an unincorporated body or any other entity (whether in its capacity as trustee, or in its own or any representative capacity);
 - (e) the fund’s name complies with the requirements in section 8;
 - (f) registration of the fund by its name will not contravene the restrictions in section 9;
 - (g) the fund has an office in Hong Kong to which communications and notices may be sent;
 - (h) the fund is not set up for an unlawful purpose; and
 - (i) not all the partners in the fund are corporations in the same group of companies.
- (2) Despite paragraph (i) of subsection (1), a fund that does not meet the eligibility requirement in that paragraph is eligible to be registered as a limited partnership fund if—
- (a) it meets all the other eligibility requirements in that subsection; and
 - (b) the application of the fund for registration as a limited partnership fund contains a statement that—
 - (i) all the proposed partners in the fund are corporations in the same group of companies; and
 - (ii) the applicant understands that if the fund is registered as a limited partnership fund, the Registrar may strike the name of the fund off the LPF Register if all the partners in the fund are corporations in the same group of companies after

the second anniversary of the date on which its certificate of registration is issued under section 13.

8. Requirements on limited partnership fund’s name

- (1) For section 7(1)(e), a limited partnership fund must have—
- (a) an English name;
 - (b) a Chinese name; or
 - (c) a name consisting of both an English name and a Chinese name.
- (2) The English name of the fund must contain the words “Limited Partnership Fund” as the last 3 words of the name or “LPF” as the last word of the name.
- (3) The Chinese name of the fund must contain the characters “有限合伙基金” as the last 6 characters of the name.

9. Restrictions on limited partnership fund’s name

- (1) A fund must not be registered as a limited partnership fund by a name—
- (a) that is the same as a name appearing in the LPF Index;
 - (b) that is the same as a name appearing in the index of limited partnerships kept under section 13 of the Limited Partnerships Ordinance (Cap. 37);
 - (c) that is the same as a name of a body corporate incorporated or established under an Ordinance;
 - (d) the use of which by the fund would, in the Registrar’s opinion, constitute a criminal offence; or
 - (e) that, in the Registrar’s opinion, is offensive or otherwise contrary to the public interest.
- (2) Except with the Registrar’s prior approval, a fund must not be registered as a limited partnership fund with—

- (a) a name that, in the Registrar's opinion, would be likely to give the impression that the fund is connected in any way with—
 - (i) the Central People's Government;
 - (ii) the Government; or
 - (iii) any department or agency of the Central People's Government or the Government;
- (b) a name containing any word or expression for the time being specified in an order under section 10; or
- (c) a name that is the same as a name for which a direction of the Registrar has been given under section 42(1) or (2) or 43(1).

10. Financial Secretary may specify word or expression for section 9

The Financial Secretary may, by order published in the Gazette, specify any word or expression for the purposes of section 9(2)(b).

Division 2—Procedure

11. Application by proposed general partner

- (1) An application for the registration of a fund as a limited partnership fund must be made to the Registrar by the person proposed to be the general partner in the limited partnership fund (*proposed general partner*).
- (2) The application must—
 - (a) be in the specified form;
 - (b) be delivered in the specified manner;
 - (c) contain the information specified in Schedule 1;
 - (d) be submitted on behalf of the proposed general partner by a Hong Kong firm or a solicitor; and

- (e) be accompanied by—
 - (i) the specified fee payable for lodging the application; and
 - (ii) the specified fee payable for the registration.
- (3) In this section—
Hong Kong firm (香港律師行) has the meaning given by section 2(1) of the Legal Practitioners Ordinance (Cap.159).

12. Registration

- (1) The Registrar may, on application, register a fund as a limited partnership fund.
- (2) The Registrar must not register a fund as a limited partnership fund unless the Registrar is satisfied that—
 - (a) on its registration, the fund meets the eligibility requirements in section 7; and
 - (b) the application for registration meets the requirements in section 11(2).

13. Issue of certificate of registration

- (1) On registering a fund as a limited partnership fund, the Registrar must issue a certificate of registration to the fund.
- (2) The certificate of registration is conclusive evidence that the fund is a limited partnership fund.

14. Appeal against Registrar's decision to refuse registration

- (1) If a person is aggrieved by a decision of the Registrar to refuse an application for registration as a limited partnership fund, the person may appeal to the Court against the decision.
- (2) The appeal must be made within 42 days after the date on which a notice of the decision is issued by the Registrar to the person.

- (3) The Court may make any order that it considers appropriate, including an order as to costs.
 - (4) If the Court makes an order as to costs against the Registrar in relation to the appeal, the costs are payable out of the general revenue, and the Registrar is not personally liable for the costs.
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Part 3

Operation of Limited Partnership Funds

Division 1—Limited Partnership Fund

15. General provision

A limited partnership fund—

- (a) is a fund set up in the form of a limited partnership under this Ordinance; and
- (b) does not have a legal personality.

16. Contractual freedoms among partners

- (1) The partners in a limited partnership fund have freedom of contract in respect of the operation of the fund.
- (2) Without limiting subsection (1), the matters that may be determined by the partners in the fund in the limited partnership agreement of the fund include—
 - (a) the admission and withdrawal of partners in the fund;
 - (b) the transfer of interests in the fund by the limited partners in the fund;
 - (c) the organization, management structure, governance and decision-making procedures of the fund;
 - (d) the investment scope and strategy of the fund;
 - (e) the powers, rights and obligations of the partners in the fund;
 - (f) the scope of the fiduciary duties of the general partner in, or (if applicable) the authorized representative of, the fund, and the remedies for breach or default;

- (g) the financial arrangements among the partners in the fund, such as capital contributions to the fund, withdrawal of capital contributions from the fund, distribution of proceeds, and clawback obligations of the partners;
 - (h) the life of the fund with possibility of extension;
 - (i) the frequency of financial reporting and verification of net asset value;
 - (j) the custodial arrangement; and
 - (k) the dissolution procedures.
- (3) An arrangement in the limited partnership agreement of a limited partnership fund must not contravene this Ordinance or any other applicable law.

17. Distributions to partners

Withdrawal of capital contributions from a limited partnership fund, and the distribution of profits and assets of the fund, is permitted if the fund remains solvent following such withdrawal or distribution.

18. Registered office

- (1) A limited partnership fund must have a registered office in Hong Kong to which communications and notices may be sent.
- (2) The proposed address of the registered office in the application for the registration of the fund, as required under item 2 of Schedule 1, is taken to be the address of the registered office of the fund with effect from the registration until a notification of change in respect of the address is filed with the Registrar under section 25.
- (3) If the fund ceases to have a registered office, the general partner in the fund commits an offence and is liable—
 - (a) to a fine at level 5; and

- (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.

Division 2—General Partner**19. General liability and management responsibility**

- (1) The general partner in a limited partnership fund has unlimited liability for all the debts and obligations of the fund.
- (2) The general partner in a limited partnership fund has ultimate responsibility for the management and control of the fund.
- (3) Despite subsections (1) and (2), if a limited partnership fund has an authorized representative—
 - (a) the general partner in the fund and the authorized representative are jointly and severally liable for all the debts and obligations of the fund; and
 - (b) both the general partner in the fund and the authorized representative have ultimate responsibility for the management and control of the fund.

20. Duty to appoint investment manager

- (1) The general partner in a limited partnership fund must appoint a person (who may be the general partner or another person) as an investment manager to carry out the day-to-day investment management functions of the fund.
- (2) No person may be appointed as an investment manager of a limited partnership fund unless the person is—
 - (a) a Hong Kong resident who is at least 18 years old;
 - (b) a company; or
 - (c) a registered non-Hong Kong company.
- (3) The person proposed to be an investment manager in the application for the registration of the fund, as required under

item 12 of Schedule 1, is taken to be appointed as an investment manager of the fund under subsection (1) with effect from the registration until a notification of change in respect of the investment manager is filed with the Registrar under section 25.

21. Duty to appoint auditor

- (1) The general partner in a limited partnership fund must appoint a person as an auditor to carry out audits of the financial statements of the fund.
- (2) No person may be appointed as an auditor of a limited partnership fund unless the person is a practice unit as defined by section 2(1) of the Professional Accountants Ordinance (Cap. 50).
- (3) An auditor appointed for a limited partnership fund must—
 - (a) be independent of the general partner in, and the investment manager of, the fund; and
 - (b) carry out audits of the financial statements of the fund annually.
- (4) For subsection (3)(a), if a limited partnership fund has an authorized representative, the reference to the general partner in the fund in that subsection is a reference to the general partner and the authorized representative.

22. Duty to ensure proper custody of assets

The general partner in a limited partnership fund must ensure that there are proper custody arrangements for the assets of the fund as specified in the limited partnership agreement of the fund.

23. Duty to appoint authorized representative

- (1) This section applies if the general partner in a limited partnership fund is—

- (a) another limited partnership fund; or
 - (b) a non-Hong Kong limited partnership without a legal personality.
- (2) The general partner in the fund must appoint a person as the authorized representative of the fund to be responsible for the management and control of the fund.
 - (3) No person may be the authorized representative of the fund unless the person is—
 - (a) a Hong Kong resident who is at least 18 years old;
 - (b) a company; or
 - (c) a registered non-Hong Kong company.
 - (4) If the general partner falls within the description of subsection (1)(a), the person proposed to be the fund's authorized representative in the application for the registration of the fund, as required under item 8(e) of Schedule 1, is taken to be appointed as the fund's authorized representative under subsection (2) with effect from the registration until a notification of change in respect of the authorized representative is filed with the Registrar under subsection (6).
 - (5) If the general partner falls within the description of subsection (1)(b), the person proposed to be the fund's authorized representative in the application for the registration of the fund, as required under item 10(e) of Schedule 1, is taken to be appointed as the fund's authorized representative under subsection (2) with effect from the registration until a notification of change in respect of the authorized representative is filed with the Registrar under subsection (6).
 - (6) The general partner must file a notification with the Registrar if there is a change in the particulars in the LPF Register relating to the fund's authorized representative.

- (7) The notification of change must be filed within 15 days after the change occurs.
- (8) The notification of change must be—
 - (a) in the specified form;
 - (b) delivered in the specified manner; and
 - (c) accompanied by the specified fee payable for filing the notification.
- (9) If the general partner fails to file the notification of change, the general partner commits an offence and is liable—
 - (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.
- (10) Without affecting subsection (6), if a person resigns as the authorized representative of a limited partnership fund, the person must file a notification of the resignation with the Registrar.
- (11) The notification of resignation must be—
 - (a) in the specified form; and
 - (b) delivered in the specified manner.

24. Annual return

- (1) The general partner in a limited partnership fund must file a return with the Registrar within 42 days after each anniversary of the date on which the certificate of registration is issued to the fund.
- (2) The annual return must—
 - (a) be in the specified form;
 - (b) be delivered in the specified manner;

- (c) include a declaration by the general partner that the fund—
 - (i) has been in operation, or has carried on business as a fund, during the 12 months before the anniversary; and
 - (ii) will be in operation, or will carry on business as a fund, in the 12 months after the anniversary; and
- (d) be accompanied by the specified fee payable for filing the return.
- (3) If the general partner fails to file the annual return, the general partner commits an offence and is liable—
 - (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.

25. Notification of change

- (1) The general partner in a limited partnership fund must file a notification of change with the Registrar if there is a change in the particulars relating to the fund after the registration, including—
 - (a) the withdrawal, removal or replacement of the general partner in the fund;
 - (b) a change in the particulars of the general partner in the fund contained in the LPF Register;
 - (c) a change in the address of the registered office of the fund;
 - (d) a change in the investment scope or principal place of business of the fund;
 - (e) a change in the identity of the investment manager of the fund, or the particulars of the investment manager contained in the LPF Register;

- (f) a change in the identity of the responsible person of the fund, or the particulars of the responsible person contained in the LPF Register; and
 - (g) a change in any other particulars that the Registrar may specify.
- (2) The notification of change must be filed within 15 days after the change occurs.
 - (3) The notification of change must be—
 - (a) in the specified form;
 - (b) delivered in the specified manner; and
 - (c) accompanied by the specified fee payable for filing the notification.
 - (4) If the general partner fails to file the notification of change, the general partner commits an offence and is liable—
 - (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.

Division 3—Limited Partners

26. Rights and liabilities of limited partner

- (1) A limited partner in a limited partnership fund has the right to participate in the income and profits arising from the management of the assets and transactions of the fund by the general partner in, and the investment manager of, the fund.
- (2) A limited partner in a limited partnership fund does not owe any fiduciary duty to the general partner, or any other limited partner, in the fund.

- (3) A limited partner in a limited partnership fund does not have day-to-day management rights or control over the assets held by the fund.
- (4) A limited partner in a limited partnership fund is not liable for the debts and obligations of the fund beyond the amount of the partner's agreed contribution.
- (5) However, if a limited partner in a limited partnership fund takes part in the management of the fund, the limited partner and the general partner in the fund (and, if applicable, the fund's authorized representative) are jointly and severally liable for all the debts and obligations of the fund incurred while the limited partner so takes part in the management.

27. Activities conducted by limited partner

- (1) For the purposes of this Ordinance—
 - (a) a limited partner in a limited partnership fund is not to be regarded as taking part in the management of the fund only because the partner conducts an activity set out in Schedule 2; and
 - (b) the fact that a decision that affects or relates to a limited partnership fund involves an actual or potential conflict of interest is not of itself a reason to regard a limited partner in the fund who takes part in the decision as taking part in the management of the fund.
- (2) The enumeration of activities in Schedule 2 does not limit the circumstances in which a limited partner in a limited partnership fund is not to be regarded as taking part in the management of the fund.
- (3) For subsection (1)(a), if a limited partnership fund has an authorized representative, a reference to the general partner in the fund in Schedule 2 is a reference to the general partner and the authorized representative.

Division 4—Keeping of Records**28. Interpretation of Division 4**

In this Division—

Insurance Authority (保監局) means the Insurance Authority established under section 4AAA(1) of the Insurance Ordinance (Cap. 41);

specified person (指明人士), in relation to a limited partnership fund, means—

- (a) the general partner in the fund; or
- (b) the investment manager of the fund.

29. Duty to keep records

(1) The specified person of a limited partnership fund must keep the following records at the registered office of the fund or any other place in Hong Kong made known to the Registrar—

- (a) the financial statements of the fund audited by the auditor appointed under section 21;
- (b) a register of partners;
- (c) in relation to a customer of the fund (including a limited partner in the fund)—the documents, records and files described in section 20(1)(b) of Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615);
- (d) documents and records of each transaction carried out by the fund;
- (e) the controller of each of the partners in the fund.

(2) For subsection (1)(a)—

- (a) the financial statements must be sufficient to demonstrate and explain each transaction that the general partner in the

fund carries out on behalf of the fund and provide an accurate account of the financial condition and performance of the fund; and

- (b) the financial statements must be kept throughout the period while the fund is registered under this Ordinance.
- (3) For subsection (1)(b), the register of partners must contain the following particulars of the general partner (and, if applicable, the fund's authorized representative) and each limited partner in the fund—
- (a) if the partner or authorized representative is a natural person—
 - (i) the full name of the person;
 - (ii) the number of the person's identity card or, if the person does not have an identity card, the person's nationality, and the number and issuing country of any passport held by the person;
 - (iii) the person's residential address;
 - (iv) the person's telephone contact number and electronic mail address (if any);
 - (v) the total amount of capital contributed by the person to the fund;
 - (vi) (in the case of a limited partner) the amount of the person's agreed contribution;
 - (vii) the date on which the person becomes and (if applicable) ceases to be the partner in, or authorized representative of, the fund;
 - (viii) the date and amount of each contribution made by the person to the fund;
 - (ix) the date and amount of any withdrawal of capital contributions made by the person from the fund;

- (b) if the partner or authorized representative is an entity other than a natural person—
- (i) the full name of the entity;
 - (ii) if the entity is a company incorporated in Hong Kong or a registered non-Hong Kong company—the entity’s identification number with the Companies Registry;
 - (iii) if the entity is a licensed corporation or registered institution—the entity’s Central Entity number with the Securities and Futures Commission;
 - (iv) if the entity is an authorized institution—the entity’s licence number with the Hong Kong Monetary Authority;
 - (v) if the entity is an authorized insurer—the entity’s file number with the Insurance Authority;
 - (vi) if the entity is a licensed insurance intermediary—the entity’s licence number with the Insurance Authority;
 - (vii) if the entity is not incorporated or formed in Hong Kong—the place of the entity’s incorporation or formation;
 - (viii) the address of the entity’s registered or principal office;
 - (ix) the entity’s telephone contact number and electronic mail address (if any);
 - (x) the total amount of capital contributed by the entity to the fund;
 - (xi) (in the case of a limited partner) the amount of the entity’s agreed contribution;

- (xii) the date on which the entity becomes and (if applicable) ceases to be the partner in, or authorized representative of, the fund;
 - (xiii) the date and amount of each contribution made by the entity to the fund;
 - (xiv) the date and amount of any withdrawal of capital contributions made by the entity from the fund.
- (4) For subsection (1)(c), the documents, records and files must be kept for at least 5 years beginning on the date on which the business relationship with the relevant customer ends.
- (5) For subsection (1)(d), the documents and records must be kept for at least 7 years after the completion of the transaction to which they relate.
- (6) For subsection (1)(e), the controller of a partner is—
- (a) subject to paragraphs (b) and (c), a natural person who exercises control over the partner;
 - (b) if the partner is a trust—
 - (i) a natural person who is the settlor, trustee, protector (if any), enforcer (if any), or a beneficiary or a member of a class of beneficiaries, of the trust; or
 - (ii) if the settlor, trustee, protector, enforcer, or the beneficiary or the member of the class of beneficiaries, of the trust is another entity—a natural person who exercises control over that other entity; or
 - (c) if the partner is equivalent or similar to a trust (regardless of how the entity is described)—
 - (i) a natural person who, in relation to the partner, is in a position similar to the settlor, trustee, protector (if

- any), enforcer (if any), or a beneficiary or a member of a class of beneficiaries, of a trust; or
- (ii) if, in relation to the partner, another entity is in a position similar to the settlor, trustee, protector (if any), enforcer (if any), or a beneficiary or a member of a class of beneficiaries, of a trust—a natural person who exercises control over that other entity.
- (7) For subsection (6) and this subsection—
- (a) where an entity is a corporation, a natural person exercises control over the entity if—
- (i) the person—
- (A) owns or controls, directly or indirectly, including through a trust or bearer share holding, more than 25% of the issued share capital of the entity;
- (B) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights at general meetings of the entity;
- (C) exercises ultimate control over the management of the entity; or
- (D) (if no natural person falls within sub-subparagraph (A), (B) or (C)) holds the position of senior managing official of the entity; or
- (ii) the entity is acting on behalf of another entity over whom the person exercises control;
- (b) where an entity is a partnership, a natural person exercises control over the entity if—
- (i) the person—

- (A) is entitled to or controls, directly or indirectly, more than 25% of the capital or profits of the entity;
- (B) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights in the entity;
- (C) exercises ultimate control over the management of the entity; or
- (D) (if no natural person falls within sub-subparagraph (A), (B) or (C)) holds the position of senior managing official of the entity; or
- (ii) the entity is acting on behalf of another entity over whom the person exercises control;
- (c) where an entity is a trust, a natural person exercises control over the entity if the person—
- (i) is entitled to a vested interest in more than 25% of the capital of the property of the entity, whether the interest is in possession or in remainder or reversion and whether it is defeasible or not;
- (ii) is the settlor of the entity;
- (iii) is the protector or enforcer of the entity;
- (iv) is the trustee of the entity;
- (v) is a beneficiary or a member of a class of beneficiaries of the entity; or
- (vi) has ultimate control over the entity; or
- (d) where an entity is not a corporation, partnership or trust, a natural person exercises control over the entity if—
- (i) the person ultimately owns or controls the entity; or

- (ii) the entity is acting on behalf of another entity over whom the person exercises control.
- (8) If subsection (1) is not complied with, each of the specified persons commits an offence and is liable—
 - (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.
- (9) In this section—
 - authorized insurer* (獲授權保險人) means an insurer authorized under the Insurance Ordinance (Cap. 41);
 - licensed insurance intermediary* (持牌保險中介人) has the meaning given by section 2(1) of the Insurance Ordinance (Cap. 41);
 - registered institution* (註冊機構) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571).

30. Making records available

- (1) The specified person of a limited partnership fund must not make the records kept under section 29 available for public inspection.
- (2) The specified person of a limited partnership fund must—
 - (a) make the records kept under section 29 available for inspection and production of copies by an officer of—
 - (i) the Companies Registry;
 - (ii) the Customs and Excise Department;
 - (iii) the Hong Kong Monetary Authority;
 - (iv) the Hong Kong Police Force;
 - (v) the Immigration Department;

- (vi) the Inland Revenue Department;
- (vii) the Insurance Authority;
- (viii) the Independent Commission Against Corruption established under section 3 of the Independent Commission Against Corruption Ordinance (Cap. 204);
- (ix) the Securities and Futures Commission; or
- (x) a department or agency of the Government, or a statutory body, that is specified by the Financial Secretary for the purposes of this paragraph in regulations made under section 92; and
- (b) make the financial statements kept under section 29(1)(a) available to the general partner and all the limited partners in the fund for inspection.
- (3) If subsection (1) or (2) is not complied with, each of the specified persons commits an offence and is liable—
 - (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.
- (4) In this section—
 - statutory body* (法定團體) means a body established or constituted by or under the authority of an Ordinance.

31. Notification of change of place in which records are kept

- (1) If there is a change in the place in which the records referred to in section 29 are kept, the general partner in the fund must file a notification of the change with the Registrar.
- (2) The notification of change must be filed within 15 days after the change occurs.
- (3) The notification of change must be—

- (a) in the specified form;
 - (b) delivered in the specified manner; and
 - (c) accompanied by the specified fee payable for filing the notification.
- (4) If the general partner fails to file the notification of change, the general partner commits an offence and is liable—
- (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.
- (5) Subsection (1) does not apply if there is such a change only because of the change of the address of the fund's registered office.

Division 5—Anti-money Laundering and Counter-terrorist Financing

32. Interpretation of Division 5

In this Division—

accounting professional (會計專業人士) has the meaning given by section 1 of Part 2 of Schedule 1 to Cap. 615;

Cap. 615 (《第 615 章》) means the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615);

legal professional (法律專業人士) has the meaning given by section 1 of Part 2 of Schedule 1 to Cap. 615.

33. Duty to appoint responsible person

- (1) The general partner in a limited partnership fund must appoint a person (who may be the general partner or another person) as a responsible person to carry out the measures set out in Schedule 2 to Cap. 615.

- (2) No person may be appointed as a responsible person of a limited partnership fund unless the person is—
- (a) an authorized institution;
 - (b) a licensed corporation;
 - (c) an accounting professional; or
 - (d) a legal professional.
- (3) The person proposed to be a responsible person in the application for the registration of the fund, as required under item 13 of Schedule 1, is taken to be appointed as a responsible person of the fund under subsection (1) with effect from the registration until a notification of change in respect of the responsible person is filed with the Registrar under section 25.

34. Schedule 2 to Cap. 615 has effect with respect to responsible person

- (1) Schedule 2 to Cap. 615 has effect with respect to a responsible person of a limited partnership fund.
- (2) For subsection (1)—
- (a) a reference to a financial institution in Schedule 2 to Cap. 615 is a reference to a responsible person that is—
 - (i) an authorized institution; or
 - (ii) a licensed corporation;
 - (b) a reference to a DNFBP in that Schedule is a reference to a responsible person that is—
 - (i) an accounting professional; or
 - (ii) a legal professional;
 - (c) a reference to a relevant authority in that Schedule is—

- (i) for a responsible person that is an authorized institution—a reference to the Monetary Authority; or
- (ii) for a responsible person that is a licensed corporation—a reference to the Securities and Futures Commission; and
- (d) a reference to a customer in that Schedule is a reference to a customer of the fund (including a limited partner in the fund).

35. Offence

- (1) This section applies to a responsible person of a limited partnership fund that is—
 - (a) an authorized institution; or
 - (b) a licensed corporation.
- (2) If a responsible person knowingly causes or knowingly permits the fund to contravene a specified provision, the person commits an offence and is liable—
 - (a) on summary conviction—to a fine at level 6 and to imprisonment for 6 months; or
 - (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 2 years.
- (3) If a responsible person, with intent to defraud any relevant authority, causes or permits the fund to contravene a specified provision, the person commits an offence and is liable—
 - (a) on summary conviction—to a fine at \$500,000 and to imprisonment for 1 year; or
 - (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 7 years.
- (4) In this section—

specified provision (指明的條文) has the meaning given by section 5(11) of Cap. 615.

36. Application of Part 3 of Cap. 615

- (1) Part 3 of Cap. 615 has effect with respect to a responsible person of a limited partnership fund that is—
 - (a) an authorized institution; or
 - (b) a licensed corporation.
- (2) For subsection (1)—
 - (a) a reference to a financial institution in Part 3 of Cap. 615 is a reference to a responsible person that is—
 - (i) an authorized institution; or
 - (ii) a licensed corporation;
 - (b) a reference to a relevant authority in that Part is—
 - (i) for a responsible person that is an authorized institution—a reference to the Monetary Authority; or
 - (ii) for a responsible person that is a licensed corporation—a reference to the Securities and Futures Commission;
 - (c) the reference to “an offence under this Ordinance” in section 11(1)(a) of Cap. 615 is a reference to an offence under section 35; and
 - (d) the reference to “a specified provision as defined by section 5(11) or a provision specified in section 43(1)” in section 11(1)(b) of Cap. 615 is a reference to a specified provision as defined by section 35(4).

37. Application of Part 4 of Cap. 615

- (1) Part 4 of Cap. 615 has effect with respect to a responsible person of a limited partnership fund that is—
 - (a) an authorized institution; or
 - (b) a licensed corporation.
- (2) For subsection (1)—
 - (a) a reference to a financial institution in Part 4 of Cap. 615 is a reference to a responsible person that is—
 - (i) an authorized institution; or
 - (ii) a licensed corporation; and
 - (b) a reference to a relevant authority in that Part is—
 - (i) for a responsible person that is an authorized institution—a reference to the Monetary Authority; or
 - (ii) for a responsible person that is a licensed corporation—a reference to the Securities and Futures Commission.

38. Application of Part 6 of Cap. 615

Part 6 of Cap. 615 has effect with respect to a responsible person of a limited partnership fund that is—

- (a) an authorized institution; or
- (b) a licensed corporation.

39. Application of Part 7 of Cap. 615

- (1) Part 7 (except section 82) of Cap. 615 has effect with respect to a responsible person of a limited partnership fund that is—
 - (a) an authorized institution; or
 - (b) a licensed corporation.

- (2) For subsection (1), a reference to a relevant authority in Part 7 of Cap. 615 is—
 - (a) for a responsible person that is an authorized institution—a reference to the Monetary Authority; or
 - (b) for a responsible person that is a licensed corporation—a reference to the Securities and Futures Commission.

Division 6—Change of Name**40. Limited partnership fund may change name by resolution**

- (1) The partners in a limited partnership fund may change the fund's name by resolution.
- (2) Within 15 days after the date of passing the resolution, the general partner in the fund must file a notification of the change of name with the Registrar.
- (3) The notification of change must be—
 - (a) in the specified form;
 - (b) delivered in the specified manner; and
 - (c) accompanied by the specified fee payable for filing the notification.
- (4) If the general partner fails to file the notification of change, the general partner commits an offence and is liable—
 - (a) to a fine at level 3; and
 - (b) in the case of a continuing offence—to a further fine of \$300 for each day during which the offence continues.

41. Registrar to issue certificate of change of name

- (1) On receiving a notification of the change of a limited partnership fund's name under section 40, the Registrar may issue a certificate of the change of name to the fund.

- (2) The Registrar must not issue the certificate unless the Registrar is satisfied that—
 - (a) the new name of the fund is not a name by which a fund must not be registered because of section 9; and
 - (b) the fund has paid the specified fee payable for the issue of the certificate.
- (3) The Registrar must enter the new name in the LPF Register in place of the former name.
- (4) The change of name has effect from the date on which the certificate of the change of name is issued.
- (5) The change of name does not affect any rights or obligations of the fund or render defective any legal proceedings by or against it. Any legal proceedings that could have been commenced or continued by or against it by its former name may be commenced or continued by or against it by its new name.

42. Registrar may direct limited partnership fund to change same or similar name, etc.

- (1) The Registrar may by written notice direct a limited partnership fund to change, within the period specified in the notice, a name by which the fund is registered if—
 - (a) the name is, at the time of the registration, the same as a name that appeared or should have appeared in—
 - (i) the LPF Index; or
 - (ii) the index of limited partnerships kept under section 13 of the Limited Partnerships Ordinance (Cap. 37);
 - (b) the name is, as at the time of the registration, the same as a name of a body corporate incorporated or established under an Ordinance;

- (c) in the Registrar's opinion, the name is, as at the time of the registration, too like a name of a body corporate incorporated or established under an Ordinance;
 - (d) in the Registrar's opinion, misleading information has been given for the fund's registration by the name; or
 - (e) the name is a name by which, as at the time of the registration, a fund must not be registered as a limited partnership fund because of section 9(2)(a) or (b).
- (2) The Registrar may by written notice direct a limited partnership fund to change, within the period specified in the notice, a name by which the fund is registered if, after the fund is registered by the name—
 - (a) a court makes an order restraining the fund from using the name or any part of the name; and
 - (b) an office copy of the order, and a notice in the specified form, are delivered to the Registrar by a person in whose favour the order is made.
 - (3) A direction may only be given—
 - (a) for subsection (1)(a), (b) or (c)—within 12 months after the date of registration by the name;
 - (b) for subsection (1)(d)—within 5 years after the date of registration by the name; or
 - (c) for subsection (1)(e)—within 3 months after the date of registration by the name.
 - (4) The Registrar may, before the end of the period specified in a notice given under subsection (1) or (2), by written notice extend the period.
 - (5) In this section—

court (法院) means a court of competent jurisdiction of the Hong Kong Special Administrative Region and includes a magistrate.

43. Registrar may direct limited partnership fund to change misleading or offensive name, etc.

- (1) The Registrar may by written notice direct a limited partnership fund to change a name by which the fund is registered if—
 - (a) the Registrar is of the opinion that the name gives so misleading an indication of the nature of the fund's activities as to be likely to cause harm to the public; or
 - (b) the name is a name by which, as at the time of the registration, a fund must not be registered because of section 9(1)(d) or (e).
- (2) The fund must comply with a direction within the period of 6 weeks after the date of the direction or, if the period is extended under subsection (3), within the extended period.
- (3) The Registrar may, before the expiry of the period of 6 weeks after the date of the direction, by written notice extend the period.

44. Registrar may change limited partnership fund's name in case of failure to comply with direction

- (1) Subsection (2) applies if—
 - (a) the Registrar by written notice directs a limited partnership fund to change its name under section 42(1) or (2), and the fund fails to comply with the direction within the period specified in the notice or, if the period is extended under section 42(4), the extended period; or
 - (b) the Registrar by written notice directs a limited partnership fund to change its name under section 43(1), and the fund fails to comply with the direction within the period specified in the notice or, if the period is extended under section 43(3), the extended period.
- (2) The Registrar may change the fund's name—

- (a) if it is an English name, to a name that consists of the words "Limited Partnership Fund Number" as its prefix, followed by the identification number of the fund;
- (b) if it is a Chinese name, to a name that consists of the characters "有限合伙基金編號" as its prefix, followed by the identification number of the fund; or
- (c) if it is a name consisting of both an English name and a Chinese name, to—
 - (i) an English name that consists of the words "Limited Partnership Fund Number" as its prefix, followed by the identification number of the fund; and
 - (ii) a Chinese name that consists of the characters "有限合伙基金編號" as its prefix, followed by the identification number of the fund.
- (3) The Registrar must enter the new name in the LPF Register in place of the former name.
- (4) The change of name has effect from the date on which the new name is entered in the LPF Register.
- (5) Within 30 days after the date of entering the new name in the LPF Register, the Registrar—
 - (a) must by written notice notify the fund of—
 - (i) the fact that a name of the fund has been changed;
 - (ii) the new name; and
 - (iii) the date on which the change takes effect; and
 - (b) must by notice published in the Gazette publish that fact, the new name and that date.
- (6) A change of name under subsection (2) does not affect any rights or obligations of the fund or render defective any legal proceedings by or against it. Any legal proceedings that could have been commenced or continued by or against it by its

former name may be commenced or continued by or against it by its new name.

45. Appeal against Registrar's direction to change limited partnership fund's name

- (1) If a person is aggrieved by a direction of the Registrar to change the name of a limited partnership fund, the person may appeal to the Administrative Appeals Board against the direction.
- (2) The appeal must be made within 3 weeks after the date of the notice of the direction referred to in section 42(1) or (2) or 43(1).

46. Determining whether name is same as or similar to another name

- (1) This section applies in determining whether a name is the same as or too like another name.
- (2) If the definite article is the first word of the name, the definite article must be disregarded.
- (3) If any of the words, expressions or characters specified in subsection (4), or an abbreviation of any of them, appears at the end of the name, the word, expression, character or abbreviation must be disregarded.
- (4) The words, expressions or characters are—
 - (a) “limited partnership fund”;
 - (b) “LPF”; and
 - (c) “有限合伙基金”.
- (5) The following must be disregarded—
 - (a) type or case of letters;
 - (b) spaces between letters;
 - (c) accent marks;
 - (d) punctuation marks.

- (6) The expressions in each of the following paragraphs are regarded as the same—
 - (a) “and” and “&”;
 - (b) “Hong Kong”, “Hongkong” and “HK”;
 - (c) “Far East” and “FE”.
- (7) A Chinese character is regarded as the same as another Chinese character if the Registrar is satisfied, having regard to the usage of the 2 characters in Hong Kong, that the 2 characters can reasonably be used interchangeably.

Part 4**LPF Register and LPF Index****Division 1—Registrar Must Establish and Maintain LPF Register and LPF Index****47. Registrar must establish and maintain LPF Register**

The Registrar must establish and maintain a register of limited partnership funds to keep, in relation to each limited partnership fund, records of the information contained in—

- (a) every document that—
 - (i) is delivered to the Registrar; and
 - (ii) the Registrar decides to register under this Ordinance; and
- (b) every certificate that is issued by the Registrar under this Ordinance.

48. Provisions supplementary to section 47

- (1) The information records must be kept—
 - (a) in a way determined by the Registrar so that—
 - (i) the information relating to a limited partnership fund is associated with the fund; and
 - (ii) a person may retrieve all the information relating to the fund; and
 - (b) in a way that enables a person to—
 - (i) inspect the information in the records; and
 - (ii) make a copy of the information.

- (2) Subject to subsection (1), the information records may be kept in any form that the Registrar considers appropriate.
- (3) If the Registrar keeps an information record in a form that differs from the form in which the document containing the information was delivered to, or generated by, the Registrar, the record is presumed, unless the contrary is proved, to represent the information contained in the document as delivered or generated.
- (4) If the Registrar records the information contained in a document as required by section 47, the Registrar is taken to have discharged any duty imposed by law on the Registrar to keep, file or register the document.
- (5) In this section—

information record (資料紀錄) means a record required to be kept under section 47.

49. Registrar not required to keep certain documents etc.

- (1) The Registrar may destroy or dispose of any document delivered to the Registrar under this Ordinance if the information contained in the document has been recorded by the Registrar under section 47 in a way that complies with section 48.
- (2) If a document or certificate has been kept by the Registrar for at least 7 years for the purposes of section 47, the Registrar may destroy or dispose of the document or certificate.

50. Registrar must establish and maintain LPF Index

The Registrar must establish and maintain an index of the names of every limited partnership fund.

Division 2—Registration of Documents**51. Unsatisfactory document**

- (1) For the purposes of this Division, a document delivered to the Registrar is unsatisfactory if—
- (a) the information contained in the document is not capable of being reproduced in a legible form;
 - (b) the document is neither in English nor in Chinese, and is not accompanied by a certified translation of it in English or Chinese;
 - (c) the requirements specified in relation to the document under section 94 are not complied with;
 - (d) the applicable requirements of the Ordinance under which the document is delivered are not complied with;
 - (e) the document is not accompanied by the specified fee payable for filing the document;
 - (f) the document, or any signature on the document, or any digital signature or electronic signature accompanying the document—
 - (i) is incomplete or incorrect; or
 - (ii) is altered without proper authority;
 - (g) the information contained in the document—
 - (i) is internally inconsistent; or
 - (ii) is inconsistent with other information on the LPF Register or other information contained in another document delivered to the Registrar for the purpose of the fund;
 - (h) the information contained in the document is derived from anything that—

- (i) is invalid or ineffective; or
- (ii) has been done without the authority of the general partner in the relevant limited partnership fund; or

(i) the document contains matters contrary to law.

(2) In this section—

applicable requirements (適用規定), in relation to a document, means the requirements as regards—

- (a) the contents of the document;
- (b) the form of the document;
- (c) the authentication of the document; and
- (d) the manner of delivery of the document;

certified translation (經核證譯本) means a certified translation within the meaning of section 4 of the Companies Ordinance (Cap. 622);

digital signature (數碼簽署) has the meaning given by section 2(1) of the Electronic Transactions Ordinance (Cap. 553);

electronic signature (電子簽署) has the meaning given by section 2(1) of the Electronic Transactions Ordinance (Cap. 553).

52. Registrar may refuse to accept or register document

- (1) If the Registrar is of the opinion that a document delivered to the Registrar under this Ordinance is unsatisfactory, the Registrar—
 - (a) may refuse to accept the document; or
 - (b) may, after having accepted the document, exercise the powers specified in subsection (2) or (3).
- (2) The Registrar may refuse to register the document and return the document to the person who delivered it.
- (3) The Registrar may also advise that—

- (a) the document be appropriately amended or completed, and be redelivered with or without a supplementary document; or
 - (b) a fresh document be delivered in its place.
- (4) If the Registrar—
- (a) has not received a document;
 - (b) refuses to accept a document under subsection (1)(a); or
 - (c) refuses to register a document under subsection (2),
- the document is taken as not having been delivered to the Registrar as required or authorized by this Ordinance.

53. Registrar may withhold registration of document pending further particulars etc.

- (1) For the purpose of determining whether the powers specified in section 52(2) and (3) are exercisable in relation to a document, the Registrar may—
- (a) withhold the registration of the document pending compliance with a request under paragraph (b); and
 - (b) request the person who is required or authorized to deliver the document to the Registrar to do any or all of the following within a period specified by the Registrar—
 - (i) to produce any other document, information or evidence that, in the Registrar's opinion, is necessary for the Registrar to determine the question as to whether the document is unsatisfactory;
 - (ii) to appropriately amend or complete the document, and redeliver it with or without a supplementary document;

- (iii) to apply to a court for any order or direction that the Registrar considers necessary and to conduct the application diligently;
 - (iv) to comply with any other direction given by the Registrar.
- (2) In this section—

court (法院) means a court of competent jurisdiction of the Hong Kong Special Administrative Region and includes a magistrate.

54. Appeal against Registrar's decision to refuse registration

- (1) If a person is aggrieved by a decision of the Registrar to refuse to register a document under section 52(2), the person may, within 42 days after the decision, appeal to the Court against the decision.
- (2) The Court may make any order that it considers appropriate, including an order as to costs.
- (3) If the Court makes an order as to costs against the Registrar under subsection (2), the costs are payable out of the general revenue, and the Registrar is not personally liable for the costs.

55. Certain period to be disregarded for calculating daily penalty for failure to deliver document to Registrar

- (1) This section applies if—
 - (a) a document is delivered to the Registrar under an Ordinance; and
 - (b) the Registrar refuses to register the document under section 52(2).
- (2) The Registrar must send a notice of the refusal, and the reasons for the refusal, to—

- (a) the person who is required to deliver the document to the Registrar under the Ordinance or, if more than one person is so required, any of those persons; or
 - (b) if another person delivers, on behalf of the person so required, the document to the Registrar, that other person.
- (3) If a notice is sent to a person under subsection (2) with respect to a document, the period specified in subsection (4) is to be disregarded for the purpose of calculating the daily penalty under an Ordinance that makes it an offence for failing to comply with a requirement to deliver the document and that imposes a penalty for each day during which the offence continues.
- (4) The period is one beginning on the date on which the document was delivered to the Registrar and ending with the 14th day after the date on which the notice is sent under subsection (2).

Division 3—Registrar’s Powers in relation to Maintaining LPF Register

56. Registrar may require general partner to resolve inconsistency with LPF Register

- (1) If it appears to the Registrar that the information contained in a document registered by the Registrar in respect of a limited partnership fund is inconsistent with other information relating to the fund on the LPF Register, the Registrar may give notice to the general partner in the fund—
- (a) stating in what respect the information contained in the document appears to be inconsistent with other information on the LPF Register; and
 - (b) requiring the general partner to take steps to resolve the inconsistency.

- (2) For the purposes of subsection (1)(b), the Registrar may require the general partner to deliver to the Registrar within the period specified in the notice—
- (a) information required to resolve the inconsistency; or
 - (b) evidence that proceedings have been commenced by the general partner as a partner in the fund in the Court for the purpose of resolving the inconsistency and that the proceedings are being conducted diligently.
- (3) If the general partner fails to comply with a requirement under subsection (1)(b), the general partner commits an offence and is liable—
- (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.

57. Registrar may require further information for updating etc.

- (1) For the purpose of ensuring that a person’s information on the LPF Register is accurate or bringing the information up to date, the Registrar may send a notice to the person requiring the person to give the Registrar, within a period specified by the Registrar, any information about the person, being information of the kind that is included on the LPF Register.
- (2) However, in the case of a limited partnership fund, for the purpose of ensuring that the fund’s information on the LPF Register is accurate or bringing the information up to date, the Registrar may send a notice to the general partner in the fund requiring the general partner to give the Registrar, within a period specified by the Registrar, any information about the fund, being information of the kind that is included on the LPF Register.

- (3) If a person or general partner fails to comply with a requirement under subsection (1) or (2), the person or the general partner commits an offence and is liable—
- (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.

58. Registrar may rectify typographical or clerical error on LPF Register

- (1) The Registrar may, on the Registrar's own initiative, rectify a typographical or clerical error contained in any information on the LPF Register.
- (2) The Registrar may, on application by the general partner in a limited partnership fund, rectify a typographical or clerical error contained in any information relating to the fund on the LPF Register.
- (3) If, in relation to an application under subsection (2), a document showing the rectification is delivered to the Registrar, the Registrar may rectify the error by registering the document.
- (4) Without limiting section 94, the Registrar may, in relation to any document authorized to be delivered to the Registrar under subsection (3), specify requirements as to—
 - (a) the form of, and the manner of delivery of, the document to enable it to be associated with the document containing the error; and
 - (b) the identification of the document containing the error.

59. Registrar must rectify information on LPF Register on order of Court

- (1) The Court may, on application by any person, by order direct the Registrar to rectify any information on the LPF Register or

to remove any information from it if the Court is satisfied that the information—

- (a) is factually inaccurate; or
 - (b) is derived from anything that—
 - (i) is invalid or ineffective;
 - (ii) has been done without the authority of the general partner in the relevant limited partnership fund; or
 - (iii) is factually inaccurate or forged.
- (2) If, in relation to an application under subsection (1), a document showing the rectification is filed with the Court, the Court may require the Registrar to rectify the information by registering the document.
 - (3) The Court must not order the removal of any information from the LPF Register under subsection (1) unless it is satisfied that—
 - (a) even if a document showing the rectification in question is registered, the continuing presence of the information on the LPF Register will cause material damage to the fund concerned; and
 - (b) the interest of the partners in the fund in removing the information outweighs the interest of other persons in the information continuing to appear on the LPF Register.
 - (4) If the Court makes an order for the rectification of any information on or the removal of any information from the LPF Register under subsection (1), the Court may make any consequential order that it considers to be just with respect to the legal effect (if any) to be accorded to the information by virtue of its having appeared on the LPF Register.
 - (5) If the Court makes an order for the removal of any information from the LPF Register under subsection (1), it may direct—

- (a) that a note made under section 61(1) in relation to the information is to be removed from the LPF Register;
 - (b) that the order is not to be made available for public inspection as part of the LPF Register; and
 - (c) that—
 - (i) no note is to be made under section 61(1) as a result of the order; or
 - (ii) any such note is to be restricted to providing information in relation to the matters specified by the Court.
- (6) The Court must not give a direction under subsection (5) unless it is satisfied that—
- (a) any of the following may cause damage to the fund—
 - (i) the presence on the LPF Register of the note or a note not so restricted under subsection (5)(c)(ii) (as the case may be);
 - (ii) the availability for public inspection of the order; and
 - (b) the interest of the partners in the fund in non-disclosure outweighs the interest of other persons in disclosure.
- (7) If the Court makes an order under this section, the person who made the application must deliver an office copy of the order to the Registrar.

60. Registrar may appear in proceedings for rectification

- (1) In any proceedings before the Court for the purposes of section 59, the Registrar—
 - (a) is entitled to appear or be represented, and be heard; and
 - (b) must appear if so directed by the Court.

- (2) Whether or not the Registrar appears in those proceedings, the Registrar may submit to the Court a written statement signed by the Registrar, giving particulars of the matters relevant to the proceedings and within the Registrar's knowledge.
- (3) Unless otherwise directed by the Court, a statement submitted under subsection (2) is to be regarded as forming part of the evidence in the proceedings.

61. Registrar may annotate LPF Register

- (1) The Registrar may make a note on the LPF Register for the purpose of providing information in relation to—
 - (a) a rectification of a typographical or clerical error contained in any information on the LPF Register under section 58;
 - (b) a rectification of any information on the LPF Register under section 59;
 - (c) a removal of any information from the LPF Register under section 59; or
 - (d) any other information on the LPF Register.
- (2) A note made under subsection (1) is part of the LPF Register.
- (3) The Registrar may remove a note if the Registrar is satisfied that it no longer serves any useful purpose.

Division 4—Inspection of LPF Register and LPF Index

62. Registrar must make LPF Register available for public inspection

- (1) The Registrar must make the LPF Register available for public inspection at all reasonable times so as to enable any member of the public to ascertain, in relation to a limited partnership fund—

- (a) whether the member of the public is dealing with—
 - (i) the general partner in the fund;
 - (ii) the authorized representative of the fund (if any); or
 - (iii) the investment manager of the fund,
 in relation to the administration of the fund or its property; and
 - (b) the particulars of—
 - (i) the fund;
 - (ii) the general partner in the fund;
 - (iii) the authorized representative of the fund (if any);
 - (iv) the investment manager of the fund;
 - (v) a former general partner in the fund (if any);
 - (vi) a former authorized representative of the fund (if any); or
 - (vii) a former investment manager of the fund (if any).
- (2) However, the Registrar must not make available for public inspection under subsection (1) any information excluded from public inspection by or under an Ordinance or by an order of a court.
- (3) For the purposes of subsection (1), the Registrar must, on receiving the specified fee payable for inspection, allow a person to inspect any document on the LPF Register in any form that the Registrar considers appropriate.
- (4) For the purposes of subsection (1), the Registrar may, on receiving the specified fee payable for certification, produce to a person a certified true copy of any document or information on the LPF Register, in so far as the document or information may be made available for public inspection, in any form that the Registrar considers appropriate.

- (5) In this section—

court (法院) means a court of competent jurisdiction of the Hong Kong Special Administrative Region and includes a magistrate.

63. Registrar's certified true copy admissible as evidence

In any proceedings—

- (a) a document purporting to be a copy of any information produced by the Registrar, and purporting to be certified by the Registrar under section 62(4) as a true copy of the information, is admissible in evidence on its production without further proof; and
- (b) on being admitted in evidence under paragraph (a), the document is proof of the information in the absence of evidence to the contrary.

64. Registrar must make LPF Index available for public inspection

The Registrar must make the LPF Index available for public inspection at all reasonable times.

Part 5

Striking off and Deregistration of Limited Partnership Funds

Division 1—Striking off

65. Registrar may send inquiry letter to general partner

- (1) If the Registrar has reasonable cause to believe that, in relation to a limited partnership fund, any of the circumstances specified in subsection (2) exists, the Registrar may send to the general partner in the fund by post a letter inquiring whether the circumstance exists.
- (2) The circumstances are that—
 - (a) the fund does not meet the eligibility requirements in section 7;
 - (b) the fund does not have an investment manager;
 - (c) the fund does not have a responsible person;
 - (d) if section 23 applies in relation to the fund—the fund does not have an authorized representative; and
 - (e) after the second anniversary of the date on which the certificate of registration is issued to the fund under section 13—
 - (i) the fund is not in operation or is not carrying on business as a fund; or
 - (ii) all the partners in the fund are corporations in the same group of companies.
- (3) The letter mentioned in subsection (1) must be sent to—
 - (a) the fund’s registered office; or

- (b) if the Registrar is of the opinion that the letter is unlikely to be received by the general partner in the fund if the letter is sent to the fund’s registered office—the general partner’s address.
- (4) If the Registrar is of the opinion that a letter under subsection (1) is unlikely to be received by the general partner in the fund, the Registrar may, instead of sending a letter, publish in the Gazette a notice that, unless cause is shown to the contrary, the fund’s name will be struck off the LPF Register at the end of 3 months after the date of the notice.

66. Registrar must follow up under certain circumstances

- (1) This section applies if, within 1 month after sending a letter under section 65(1)—
 - (a) the Registrar does not receive a reply to the letter; or
 - (b) the Registrar receives a reply to the letter to the effect that the circumstance specified in the letter exists in relation to the limited partnership fund.
- (2) The Registrar must, within 30 days after the end of that 1 month—
 - (a) subject to subsection (4), send to the general partner in the fund by registered post another letter that meets the requirements set out in subsection (3); and
 - (b) publish in the Gazette a notice that, unless cause is shown to the contrary, the fund’s name will be struck off the LPF Register at the end of 3 months after the date of the notice.
- (3) The letter mentioned in subsection (2)(a) must—
 - (a) refer to the letter sent under section 65(1);
 - (b) state that—
 - (i) no reply to it has been received; or

- (ii) the Registrar has received a reply to it to the effect that the circumstance specified in the letter exists in relation to the fund; and
- (c) be sent to—
 - (i) the fund's registered office; or
 - (ii) if the Registrar is of the opinion that the letter is unlikely to be received by the general partner in the fund if the letter is sent to the fund's registered office—the general partner's address.
- (4) The Registrar is not required to send a letter under subsection (2)(a) if the Registrar is of the opinion that the letter is unlikely to be received by the general partner in the fund.

67. Registrar may strike off limited partnership fund's name

- (1) At the end of 3 months after the date of publication of a notice under section 65(4) or 66(2)(b), the Registrar may, unless cause is shown to the contrary, strike the limited partnership fund's name off the LPF Register by publishing in the Gazette another notice declaring it to be struck off.
- (2) On the date of publication of the notice under subsection (1)—
 - (a) the fund's name is struck off the LPF Register;
 - (b) the fund ceases to be a limited partnership fund; and
 - (c) if the fund was still in existence immediately before that date—
 - (i) the fund continues in existence in the form of a partnership (*continuing partnership*); but
 - (ii) this Ordinance ceases to apply to the continuing partnership.
- (3) Unless the continuing partnership is a non-Hong Kong limited partnership—

- (a) the continuing partnership is to be regarded as a partnership that is not a limited partnership; and
- (b) the general partner or a limited partner in the former limited partnership fund is to be regarded as a partner in the continuing partnership.

Division 2—Deregistration

68. Application for deregistration

- (1) The general partner in a limited partnership fund may apply to the Registrar for the deregistration of the fund.
- (2) An application must not be made unless, at the time of the application—
 - (a) all the partners in the fund agree to the deregistration;
 - (b) the fund has no outstanding liabilities;
 - (c) the general partner in the fund is not suing or being sued as a partner in the fund in respect of the affairs of the fund in any legal proceedings; and
 - (d) the fund's assets do not consist of any immovable property situate in Hong Kong.
- (3) An application must be—
 - (a) in the specified form;
 - (b) delivered in the specified manner;
 - (c) accompanied by the specified fee payable for lodging the application; and
 - (d) accompanied by a written notice from the Commissioner of Inland Revenue stating that the Commissioner has no objection to the deregistration.
- (4) The applicant must give the Registrar any further information that the Registrar may request in relation to an application.

69. Registrar may deregister limited partnership fund

- (1) On receiving an application under section 68, the Registrar must publish in the Gazette a notice of the proposed deregistration of the limited partnership fund unless the Registrar is aware of a failure to comply with subsection (2), (3) or (4) of that section.
- (2) The notice must state that the Registrar may deregister the fund unless an objection to the deregistration is received within 3 months after the date of publication of the notice.
- (3) If, at the end of those 3 months, the Registrar has not received any objection to the deregistration, the Registrar may deregister the fund by publishing in the Gazette another notice declaring it to be deregistered.
- (4) On the date of publication of the notice under subsection (3)—
 - (a) the fund is deregistered;
 - (b) the fund ceases to be a limited partnership fund; and
 - (c) if the fund was still in existence immediately before that date—
 - (i) the fund continues in existence in the form of a partnership (*continuing partnership*); but
 - (ii) this Ordinance ceases to apply to the continuing partnership.
- (5) Unless the continuing partnership is a non-Hong Kong limited partnership—
 - (a) the continuing partnership is to be regarded as a partnership that is not a limited partnership; and
 - (b) the general partner or a limited partner in the former limited partnership fund is to be regarded as a partner in the continuing partnership.

- (6) On the deregistration of the fund, the Registrar must give notice of the deregistration to the applicant.
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Part 6

Dissolution and Winding up of Limited Partnership Funds

Division 1—Dissolution

70. Dissolution without Court order

- (1) A limited partnership fund may be dissolved in accordance with the limited partnership agreement of the fund.
- (2) In addition—
 - (a) if—
 - (i) the general partner in, or (if applicable) the authorized representative of, the fund is bankrupt, dissolved or dead;
 - (ii) a winding-up order is made by the Court under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), or a similar order is made under the laws of a jurisdiction outside Hong Kong, in respect of the general partner in, or (if applicable) the authorized representative of, the fund; or
 - (iii) the general partner in, or (if applicable) the authorized representative of, the fund ceases to be such; and
 - (b) if the general partner or authorized representative is not replaced within a period of 30 days after the date on which the circumstance referred to in paragraph (a) arises, the fund is dissolved on the expiry of the period.
- (3) Subsection (2) does not apply if—

- (a) the circumstance referred to in subsection (2)(a) arises in respect of the authorized representative of the limited partnership fund; and
 - (b) section 23 no longer applies in relation to the fund.
- (4) The general partner in, and (if applicable) the authorized representative of, a limited partnership fund must each ensure that a notification of dissolution is filed with the Registrar in accordance with subsection (6) within 15 days after the fund is dissolved under subsection (1) or (2).
 - (5) If a limited partnership fund has neither a general partner nor an authorized representative when it is dissolved under subsection (1) or (2), each limited partner in the fund must ensure that a notification of dissolution is filed with the Registrar in accordance with subsection (6) within 15 days after the fund is so dissolved.
 - (6) The notification of dissolution must be—
 - (a) in the specified form;
 - (b) delivered in the specified manner;
 - (c) if the limited partnership fund is dissolved by a resolution of the partners in the fund—accompanied by a copy of the resolution; and
 - (d) accompanied by the specified fee payable for filing the notification.
 - (7) A person who fails to comply with subsection (4) or (5) commits an offence and is liable—
 - (a) to a fine at level 5; and
 - (b) in the case of a continuing offence—to a further fine of \$1,000 for each day during which the offence continues.

71. Dissolution ordered by Court

- (1) On application by a partner in, or a creditor of, a limited partnership fund, the Court may order a dissolution of the fund if—
 - (a) the Court, having regard to the nature of the business of the fund, is of the opinion that a partner in the fund (other than the applicant partner) has done any act or made any omission calculated to affect prejudicially the carrying on of the business of the fund;
 - (b) a partner in the fund (other than the applicant partner)—
 - (i) wilfully or persistently commits a breach of the limited partnership agreement of the fund; or
 - (ii) otherwise so conducts themselves in matters relating to the business of the fund that it is not reasonably practicable for the other partner or partners to carry on the business in partnership with that partner;
 - (c) the business of the fund can only be carried on at a loss;
 - (d) the Court is of the opinion that it is just and equitable that the fund be dissolved;
 - (e) the general partner in the fund is mentally incapacitated (as defined by section 2(1) of the Mental Health Ordinance (Cap. 136)); or
 - (f) the general partner in the fund becomes in any other way permanently incapable of performing their part of the limited partnership agreement.
- (2) In the case of subsection (1)(e), the application may also be made by—
 - (a) the committee of the estate of the general partner appointed under Part II of the Mental Health Ordinance (Cap. 136);

- (b) a next friend of the general partner; or
- (c) a person having title to intervene.
- (3) If the Court makes an order under subsection (1), the person who makes the application for the order must file a copy of the order with the Registrar within 15 days after the order is made.
- (4) In this section—

applicant partner (申請合夥人), in relation to an application made under subsection (1) by a partner in a limited partnership fund, means that partner.

72. Keeping of records of dissolved limited partnership fund

- (1) If a limited partnership fund is dissolved, the former general partner in, and the former investment manager of, the fund must each ensure that the records of the fund that are required to be kept under section 29(1) are kept for at least 6 years after the date of the dissolution.
- (2) In subsection (1)—
 - (a) a reference to the former general partner in a limited partnership fund is a reference to the person who is the general partner in the fund immediately before the fund is dissolved; and
 - (b) a reference to the former investment manager of a limited partnership fund is a reference to the person who is the investment manager of the fund immediately before the fund is dissolved.
- (3) Subsection (1) does not apply to the records that are otherwise required to be kept by another person under this Ordinance or any other Ordinance.
- (4) A person who fails to comply with subsection (1) commits an offence and is liable to a fine at level 3.

Division 2—Winding up**73. Interpretation of Division 2**

In this Division—

Cap. 32 (《第 32 章》) means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32);

member (成員), in relation to an entity, means—

- (a) if the entity is a limited partnership fund—a partner in that fund or the authorized representative of that fund (if any);
- (b) if the entity is a partnership other than a limited partnership fund—a partner in that partnership; or
- (c) if the entity is a body of persons of any other kind—a member of that body.

74. Winding up of limited partnership fund

- (1) For the purposes of Part X of Cap. 32, a limited partnership fund is an unregistered company within the meaning of that Part.
- (2) Accordingly, in relation to the winding up of a limited partnership fund—
 - (a) Part X of Cap. 32 applies subject to sections 75 and 77; and
 - (b) other provisions of Cap. 32 apply by virtue of section 327(1) of Cap. 32 subject to necessary modifications, including those set out in sections 76 and 77.

75. Application of Part X of Cap. 32 to winding up of limited partnership fund

- (1) Section 326(1)(b) of Cap. 32 does not apply to a limited partnership fund.

- (2) Apart from the circumstances mentioned in section 327(3) of Cap. 32, a limited partnership fund may be wound up by the Court, on the application of the Registrar by petition, if it appears to the Court that—
 - (a) the fund is being carried on for an unlawful purpose or any purpose that is lawful itself but cannot be carried out by the fund; or
 - (b) obligations under this Ordinance have been persistently breached in relation to the fund.
- (3) For the purposes of section 327(4)(a)(i) of Cap. 32, apart from sub-subparagraphs (A), (B) and (C) of that section, the written demand referred to in that section is taken to have been served on a limited partnership fund if it has been served by leaving it at the registered office of the fund.
- (4) Subsections (5), (6), (7) and (8) have effect in place of section 328(1) of Cap. 32.
- (5) If a limited partnership fund is being wound up, each of the partners in the fund and (if applicable) the authorized representative of the fund is a contributory and is, subject to sections 19(1) and (3) and 26(4) and (5), liable to—
 - (a) pay or contribute to the payment of any debt or liability of the fund;
 - (b) pay or contribute to the payment of any sum for the adjustment of their rights among themselves;
 - (c) pay or contribute to the payment of the costs and expenses of winding up the fund; and
 - (d) contribute to the assets of the fund all sums due from each of them in respect of any liability under paragraph (a), (b) or (c).
- (6) For the winding up of a limited partnership fund, if a contributory entity is a body of persons without a legal

personality, each member of the entity is taken to be a contributory.

(7) In subsection (6)—

contributory entity (分擔人實體) means an entity—

- (a) that is a contributory under subsection (5); or
- (b) that is taken to be a contributory because of subsection (6).

(8) Unless otherwise specified in the limited partnership agreement of a limited partnership fund, the voting right of each contributory at a meeting of the contributories of the fund is to be determined in accordance with the proportion of the capital of the fund contributed by the contributory (excluding the amount of any capital contribution that has been withdrawn).

76. Application of other provisions of Cap. 32 to winding up of limited partnership fund

(1) The following provisions of Cap. 32 do not apply to the winding up of a limited partnership fund—

- (a) Part IVA;
- (b) paragraphs (a), (d) and (e) in the proviso in section 179(1); and
- (c) Part VI.

(2) Section 182 of Cap. 32 applies as if the words “interests in the limited partnership fund” were substituted for the word “shares” in that section.

(3) Section 262B of Cap. 32 applies as if the following were added after subsection (3)(e) of that section—

“(ea) if the company is a limited partnership fund—the investment manager of the fund;”.

(4) Section 262D of Cap. 32 applies as if—

(a) the following were added after subsection (2)(a)(v) of that section—

“(va) if the company is a limited partnership fund—the investment manager of the fund;”; and

(b) in subsection (2)(b), (c)(ii) and (d)(ii) of that section, the words “paragraph (a)(iii), (v), (va), (vi) or (vii)” were substituted for the words “paragraph (a)(iii), (v), (vi) or (vii)”.

77. Meaning of certain expressions in Cap. 32

(1) In applying a provision of Cap. 32 applicable to a company being wound up to the winding up of a limited partnership fund—

(a) a reference to a member of the company is a reference to—

- (i) (subject to subsection (2)) a partner in the fund; or
- (ii) the authorized representative of the fund (if any);

(b) a reference to a director of the company is a reference to—

- (i) the general partner in the fund;
- (ii) the authorized representative of the fund (if any); or
- (iii) any person who takes or took part in the management of the fund at any time;

(c) a reference to an officer of the company is a reference to—

- (i) the general partner in the fund;
- (ii) the authorized representative of the fund (if any);
- (iii) any person who takes or took part in the management of the fund at any time; or
- (iv) the investment manager of the fund; and

- (d) a reference to the articles of association of the company is a reference to the limited partnership agreement of the fund.
- (2) For the purposes of subsection (1)(a)(i), if a partner entity in the limited partnership fund is a body of persons without a legal personality, each member of the entity is taken to be a partner in the fund.
- (3) In subsection (2)—
- partner entity* (合夥人實體), in relation to a limited partnership fund, means an entity—
- (a) that is a partner in the fund; or
 - (b) that is taken to be a partner in the fund because of subsection (2).

Part 7

Migration of Fund Set up in Form of Limited Partnership Registered under Limited Partnerships Ordinance to this Ordinance

78. Interpretation of Part 7

In this Part—

Cap. 37 (《第 37 章》) means the Limited Partnerships Ordinance (Cap. 37);

registration date (註冊日期), in relation to a specified fund registered as a limited partnership fund, means the registration date specified on the certificate of registration issued under section 80;

specified fund (指明基金) means a fund set up in the form of a limited partnership registered under Cap. 37;

specified partnership (指明合夥), in relation to a specified fund, means the limited partnership in the form of which the fund is set up.

79. Application for registration of specified fund as limited partnership fund

- (1) A specified fund is eligible to be registered as a limited partnership fund if it meets the eligibility requirements in section 7.
- (2) An application for the registration of a specified fund as a limited partnership fund must be made to the Registrar by a general partner in the specified partnership who is named in the application as the person proposed to be the general partner in the limited partnership fund.

- (3) The application must be—
 - (a) in the specified form;
 - (b) delivered in the specified manner; and
 - (c) accompanied by—
 - (i) the specified fee payable for lodging the application; and
 - (ii) the specified fee payable for the registration.

80. Registration

- (1) The Registrar may, on application, register a specified fund as a limited partnership fund.
- (2) The Registrar must not register a specified fund as a limited partnership fund unless the Registrar is satisfied that—
 - (a) on its registration, the fund meets the eligibility requirements in section 7; and
 - (b) the application meets the requirements in section 79(3).
- (3) On registering a specified fund as a limited partnership fund, the Registrar must—
 - (a) issue a certificate of registration to the fund; and
 - (b) give notice in the Gazette of the registration.
- (4) The certificate of registration is conclusive evidence that the fund is a limited partnership fund.

81. Effect of registration of specified fund as limited partnership fund

- (1) If a specified fund is registered as a limited partnership fund—
 - (a) the registration does not cause the partnership that was registered as the specified partnership (*partnership*) to be dissolved;

- (b) the partnership continues in existence as a limited partnership fund; and
- (c) with effect from the registration date, the partnership is taken to be a limited partnership fund registered under section 12 and, accordingly—
 - (i) the partnership ceases to be registered under Cap. 37; and
 - (ii) this Ordinance applies, and Cap. 37 ceases to apply, to the partnership (registered as a limited partnership fund).
- (2) To avoid doubt—
 - (a) with effect from the registration date, all property of the specified partnership is the property of the limited partnership fund; and
 - (b) for tax purposes, the registration of the specified fund as a limited partnership fund does not amount to—
 - (i) a transfer of assets of the fund; or
 - (ii) a change in the beneficial ownership of the assets of the fund.
- (3) For subsection (1)(c)(i), the Registrar must update the records in relation to the specified partnership in the register and the index kept at the Registrar's office under section 13 of Cap. 37.

82. Business registration

- (1) If, immediately before a specified fund is registered as a limited partnership fund, the specified partnership does not hold a valid business registration certificate, the general partner in the limited partnership fund must, within 1 month after the registration date, apply for a business registration certificate for the limited partnership fund.

(2) If, immediately before a specified fund is registered as a limited partnership fund, the specified partnership holds a valid business registration certificate, the general partner in the limited partnership fund must, within 1 month after the registration date, notify the Commissioner of Inland Revenue of—

- (a) the registration;
- (b) the name in which the limited partnership fund is registered; and
- (c) the details of the general partner in the limited partnership fund.

(3) In this section—

valid business registration certificate (有效商業登記證) has the meaning given by section 2(1) of the Business Registration Ordinance (Cap. 310).

Part 8

Offences

83. Offence for claiming entity as limited partnership fund

- (1) A person commits an offence if—
- (a) an entity—
 - (i) is not a limited partnership fund; or
 - (ii) was a limited partnership fund, but the name of the fund has been struck off the LPF Register, or the fund has been deregistered or dissolved; and
 - (b) the person, for soliciting investors to a business carried on by the entity, claims that the entity is a limited partnership fund.
- (2) A person who commits an offence under subsection (1) is liable—
- (a) on summary conviction—to a fine at level 6 and to imprisonment for 6 months; or
 - (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 2 years.

84. Offence for pretending to be carrying on business of limited partnership fund

- (1) A person commits an offence if—
- (a) an entity—
 - (i) is not a limited partnership fund; or
 - (ii) was a limited partnership fund, but the name of the fund has been struck off the LPF Register, or the fund has been deregistered or dissolved; and

- (b) the person carries on a business of the entity purportedly in the form of a limited partnership fund.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on summary conviction—to a fine at level 6 and to imprisonment for 6 months; or
 - (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 2 years.

85. Offence for failure to comply with direction

If the general partner in a limited partnership fund fails to comply with a direction or requirement given by the Registrar to the fund under this Ordinance, the general partner commits an offence and is liable—

- (a) to a fine at level 6; and
- (b) in the case of a continuing offence—to a further fine of \$2,000 for each day during which the offence continues.

86. Offence for destroying documents

- (1) A person commits an offence if the person wilfully or maliciously destroys any register, book, or other document that is required by or for the purposes of any provision of this Ordinance.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on summary conviction—to a fine at level 5 and to imprisonment for 6 months; or
 - (b) on conviction on indictment—to a fine of \$150,000 and to imprisonment for 2 years.

87. Offence for false statement

- (1) A person commits an offence if the person knowingly or recklessly makes a statement, in any return, report, financial statements, certificate or other information or document required by or for the purposes of any provision of this Ordinance, that is false, misleading or deceptive in a material respect.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on summary conviction—to a fine at level 6 and to imprisonment for 6 months; or
 - (b) on conviction on indictment—to a fine of \$300,000 and to imprisonment for 2 years.
- (3) This section does not affect the operation of—
 - (a) Part V of the Crimes Ordinance (Cap. 200); or
 - (b) section 19, 20 or 21 of the Theft Ordinance (Cap. 210).

88. Offence for purported dissolution of limited partnership fund not in compliance with limited partnership agreement

- (1) A person commits an offence if—
 - (a) the person purports to dissolve a limited partnership fund in accordance with the limited partnership agreement of the fund; and
 - (b) the way in which the fund is purportedly dissolved does not comply with the agreement.
- (2) A person who commits an offence under subsection (1) is liable—
 - (a) on summary conviction—to a fine at level 5 and to imprisonment for 6 months; or

- (b) on conviction on indictment—to a fine of \$150,000 and to imprisonment for 2 years.

89. Defence

In any legal proceedings against a person for an offence under this Ordinance, it is a defence to establish that the person took all reasonable steps to avoid committing the offence.

Part 9

Miscellaneous Provisions

90. **Application of Partnership Ordinance to limited partnership fund**
- (1) The following provisions of the Partnership Ordinance (Cap. 38) apply to a limited partnership fund—
- (a) section 2;
 - (b) sections 3 and 4 (to the extent that they are not inconsistent with this Ordinance);
 - (c) sections 6, 8, 9, 10, 12, 13, 15, 16, 17 and 18;
 - (d) section 19 (to the extent that it is not inconsistent with this Ordinance);
 - (e) sections 20, 21, 22, 23, 24 and 25;
 - (f) section 26 (to the extent that it is not inconsistent with this Ordinance);
 - (g) sections 27, 29, 31, 33, 36, 39, 40, 41, 42, 43, 44, 45 and 46.
- (2) Subject to subsection (1), the Partnership Ordinance (Cap. 38) does not apply to a limited partnership fund.
91. **Application of rules of equity and of common law**
- The rules of equity and of common law applicable to partnerships, to the extent that they are not inconsistent with this Ordinance, apply to a limited partnership fund.
92. **Power of Financial Secretary to make regulations**
- The Financial Secretary may make regulations for the better carrying out of the purposes of this Ordinance.

93. Power of Registrar to require production of records

- (1) The Registrar may, for the purposes of investigating whether a limited partnership fund has contravened any provision of this Ordinance, require the fund to produce—
 - (a) any records or information relating to the operation, or business activities or transactions, of the fund; and
 - (b) an explanation in respect of the records or information.
- (2) Without limiting subsection (1), the records that the Registrar may require include the records kept under section 29.

94. Power of Registrar to specify form etc.

- (1) The Registrar may, in relation to any document required or authorized to be delivered to the Registrar under this Ordinance—
 - (a) specify requirements as to the form of the document;
 - (b) specify requirements for the purpose of enabling the Registrar to make copies or image records of the document and to keep records of the information contained in it;
 - (c) specify requirements as to the authentication of the document; and
 - (d) specify requirements as to the manner of delivery of the document.
- (2) For the purposes of subsection (1), the Registrar may specify different requirements for different documents or classes of documents, or for different circumstances.
- (3) For the purposes of subsection (1)(c), the Registrar may—
 - (a) require the document to be authenticated by a particular person or a person of a particular description;
 - (b) specify the means of authentication; and

- (c) require the document to contain, or to be accompanied by, the name or identification number, or both, of the limited partnership fund to which it relates.
- (4) For the purposes of subsection (1)(d), the Registrar may—
 - (a) require the document to be in hard copy form, electronic form or any other form;
 - (b) require the document to be delivered by post or any other means;
 - (c) specify requirements as to the address to which the document is to be delivered; and
 - (d) in the case of a document to be delivered by electronic means—specify requirements as to the hardware and software to be used and the technical specifications.
- (5) This section does not empower the Registrar—
 - (a) to require a document to be delivered to the Registrar by electronic means; or
 - (b) to specify any requirement that is inconsistent with any requirement prescribed by an Ordinance as to—
 - (i) the authentication of the document; and
 - (ii) the manner of delivery of the document to the Registrar.
- (6) Requirements specified under this section are not subsidiary legislation.
- (7) In this section—

in hard copy form (印本形式) means in paper form or similar form capable of being read.

95. Registrar not responsible for verifying information

- (1) The applicant of an application made under section 11 must ensure the truth of the information contained in the application.

- (2) The general partner in a limited partnership fund must ensure the truth of the information contained in a document delivered to the Registrar under this Ordinance.
- (3) The Registrar is not responsible for verifying—
 - (a) the truth of the information contained in the application or document; or
 - (b) the authority under which the application is made or the document is delivered to the Registrar.

96. Power of Registrar to notify relevant regulatory authority

- (1) The Registrar may notify the relevant regulatory authority of the investment manager of a limited partnership fund in relation to a statement made by the investment manager to the Registrar that is false, misleading or deceptive in a material respect.
- (2) For subsection (1), the relevant regulatory authority includes—
 - (a) if the investment manager is an authorized institution—the Monetary Authority;
 - (b) if the investment manager is a licensed corporation—the Securities and Futures Commission; and
 - (c) any other authority specified by the Financial Secretary for the purposes of this paragraph in regulations made under section 92.

97. Immunity

- (1) Neither the Registrar nor a public officer is civilly liable for an act done or omitted to be done by the Registrar or the public officer in good faith in—
 - (a) performing or purportedly performing a function under this Ordinance; or
 - (b) exercising or purportedly exercising a power under this Ordinance.

- (2) Subsection (1) does not affect any liability of the Government for the act or omission.
- (3) Where, for the purposes of this Ordinance, a protected person provides a service by means of which information in electronic form is supplied to the public, or supplies information by means of magnetic tapes or any electronic mode, the protected person is not personally liable for any loss or damage suffered by a user of the service or information by reason of an error or omission appearing in the information if the error or omission—
 - (a) was made in good faith and in the ordinary course of the discharge of the protected person's duties; or
 - (b) has occurred or arisen as a result of any defect or breakdown in the service or any equipment used for the service or for supplying the information.
- (4) Where, for the purposes of this Ordinance, a protected person provides a service or facility by means of which documents may be delivered to the Registrar by electronic means, the protected person is not personally liable for any loss or damage suffered by a user of the service or facility by reason of an error or omission appearing in a document delivered to the Registrar by means of the service or facility if the error or omission—
 - (a) was made in good faith and in the ordinary course of the discharge of the protected person's duties; or
 - (b) has occurred or arisen as a result of any defect or breakdown in the service or facility or in any equipment used for the service or facility.
- (5) Subsections (3) and (4) do not affect any liability of the Government for the error or omission.
- (6) In this section—

protected person (受保障人) means a person authorized by the Registrar to supply the information or provide the service or facility.

98. Fees

A fee specified in column 3 of Schedule 3 is payable to the Registrar in respect of the matter described, opposite the fee, in column 2 of that Schedule.

99. Amendment of Schedules

The Financial Secretary may, by order published in the Gazette, amend Schedule 1, 2 or 3.

Part 10

Related and Consequential Amendments

Division 1—Enactments Amended

100. Enactments amended

The enactments specified in Divisions 2 to 14 are amended as set out in those Divisions.

Division 2—Amendment to Specification of Public Offices Notice (Cap. 1 sub. leg. C)

101. Schedule amended (specification of public offices)

The Schedule, after the entry relating to the Registrar of Companies specified for the purposes of the Companies Ordinance (Cap. 622)—

Add

“Registrar of Companies	Limited Partnership Fund Ordinance (of 2020).”.
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Division 3—Amendments to Bankruptcy Ordinance (Cap. 6)

102. Section 111 amended (exclusion of corporations, companies and limited partnerships)

(1) Section 111(b)(ii)—

Repeal

“or”.

(2) Section 111(c)—

Repeal

“(Cap. 37).”

Substitute

“(Cap. 37); or”.

(3) After section 111(c)—

Add

“(d) any limited partnership fund registered under the Limited Partnership Fund Ordinance (of 2020).”.

Division 4—Amendment to Bankruptcy Rules (Cap. 6 sub. leg. A)

103. **Rule 136A added**

After rule 136—

Add

“136A. Petition by limited partnership fund

- (1) A limited partnership fund registered under the Limited Partnership Fund Ordinance (of 2020) (*Ordinance*) may present a petition in bankruptcy as creditor in the name of the fund.
- (2) The petition must be signed by—
 - (a) the general partner (as defined by section 2 of the Ordinance) in the fund; or
 - (b) if the fund has an authorized representative (as defined by section 2 of the Ordinance)—the authorized representative.”.

Division 5—Amendment to Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)

104. **Section 326 amended (meaning of unregistered companies)**

At the end of section 326—

Add

“Note—

For the application of this Part to a limited partnership fund (as defined by section 2 of the Limited Partnership Fund Ordinance (of 2020)), see Division 2 of Part 6 of that Ordinance.”.

Division 6—Amendments to Limited Partnerships Ordinance (Cap. 37)

105. **Section 4 amended (registration of limited partnership required)**

(1) Section 4—

Renumber the section as section 4(1).

(2) Section 4(1), after “limited partnership”—

Add

“(other than a non-Hong Kong limited partnership as defined by section 2 of the Limited Partnership Fund Ordinance (of 2020))”.

(3) After section 4(1)—

Add

“(2) Despite subsection (1), a limited partnership fund, as defined by section 2 of the Limited Partnership Fund Ordinance (of 2020), is not eligible to be registered under this Ordinance.”.

Division 7—Amendments to Professional Accountants Ordinance (Cap. 50)

106. Section 34 amended (disciplinary provisions)

(1) Section 34(1)(a)(xiv)(B)—

Repeal

“or”.

(2) Section 34(1)(a)(xv)(B), after the semicolon—

Add

“or”.

(3) After section 34(1)(a)(xv)—

Add

“(xvi) while being a responsible person of a limited partnership fund—

(A) caused or allowed a breach of an AML/CTF requirement by the fund; or

(B) failed to take reasonable steps to prevent such a breach;”.

(4) Section 34(4)—

Repeal the definition of AML/CTF requirement

Substitute

“*AML/CTF requirement* (反洗錢及恐怖分子集資規定) means a requirement that—

(a) is set out in Part 2, 3 or 4 of Schedule 2 to the AMLO; and

(b) applies—

(i) for subsections (1)(a)(xiii) and (xiv) and (b)(vi)—under section 5A(3) of the AMLO to an accounting professional;

(ii) for subsection (1)(a)(xv)—under section 5A(5) of the AMLO to a TCSP licensee; and

(iii) for subsection (1)(a)(xvi)—under section 34(1) of the Limited Partnership Fund Ordinance (of 2020) to an accounting professional appointed as a responsible person of a limited partnership fund;”.

(5) Section 34(4)—

Add in alphabetical order

“*limited partnership fund* (有限合夥基金) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

responsible person (負責人) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);”.

Division 8—Amendments to Inland Revenue Ordinance (Cap. 112)

107. Section 2 amended (interpretation)

Section 2(1)—

Add in alphabetical order

“*limited partnership fund* (有限合夥基金) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);”.

108. Section 22 amended (assessment of partnerships)

(1) After section 22(2)—

Add

“(2A) The general partner in a limited partnership fund must make and deliver a statement of the profits or losses of such trade, profession or business, on behalf of the fund, ascertained in accordance with the provisions of this Part relating to the ascertainment of profits.

(2B) For the purposes of subsection (2A), if a limited partnership fund has an authorized representative, the reference to the general partner in the fund in that subsection is a reference to the authorized representative.”.

(2) After section 22(5)—

Add

“(6) In this section—

authorized representative (獲授權代表) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

general partner (普通合夥人) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020).”.

109. Section 22B amended (limited partner loss relief)

(1) Section 22B(1), definition of *limited partner*, after paragraph (a)—

Add

“(ab) a limited partner (as defined by section 2 of the Limited Partnership Fund Ordinance (of 2020)) in a limited partnership fund;”.

(2) Section 22B(1), definition of *limited partner*, paragraph (b), before “a general partner”—

Add

“not being a general partner (as defined by section 2 of the Limited Partnership Fund Ordinance (of 2020)) in a limited partnership fund.”.

110. Section 56AA added

After section 56—

Add**“56AA. General partner in limited partnership fund etc. to act on behalf of fund**

(1) The general partner in, or the investment manager of, a limited partnership fund is answerable for doing all the acts, matters and things that are required to be done by the fund under this Ordinance.

(2) For the purposes of subsection (1), if a limited partnership fund has an authorized representative, the reference to the general partner in the fund in that subsection is a reference to the authorized representative.

(3) In this section—

authorized representative (獲授權代表) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

general partner (普通合夥人) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

investment manager (投資經理) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020).”.

111. Section 88B amended (notice of no objection in respect of an application to deregister a private company under section 750 of the Companies Ordinance (Cap. 622))

(1) Section 88B, heading—

Repeal

everything after “deregister”

Substitute

“a company under section 750 of Companies Ordinance or limited partnership fund under section 68 of Limited Partnership Fund Ordinance”.

(2) Section 88B—

Repeal subsection (1)

Substitute

“(1) On a request made by a person who is entitled to apply for—

- (a) the deregistration of a company under section 750 of the Companies Ordinance (Cap. 622); or
- (b) the deregistration of a limited partnership fund under section 68 of the Limited Partnership Fund Ordinance (of 2020),

the Commissioner may issue a written notice stating that the Commissioner has no objection to the deregistration.”.

Division 9—Amendments to Legal Practitioners Ordinance (Cap. 159)

112. Section 9A amended (complaint about conduct of solicitor, foreign lawyer, etc.)

(1) Section 9A(1AAB)(a)—

Repeal

“or”.

(2) Section 9A(1AAB)(b)(ii)—

Repeal

“breach.”

Substitute

“breach; or”.

(3) After section 9A(1AAB)(b)—

Add

“(c) while being a responsible person of a limited partnership fund—

- (i) caused or allowed a breach of an AML/CTF requirement by the fund; or
- (ii) failed to take reasonable steps to prevent such a breach.”.

(4) Section 9A(3)—

Repeal the definition of AML/CTF requirement

Substitute

“*AML/CTF requirement* (反洗錢及恐怖分子集資規定) means a requirement that—

- (a) is set out in Part 2, 3 or 4 of Schedule 2 to the AMLO; and
- (b) applies—
 - (i) for subsection (1AAB)(a)—under section 5A(3) of the AMLO to a legal professional;
 - (ii) for subsection (1AAB)(b)—under section 5A(5) of the AMLO to a TCSP licensee; and

- (iii) for subsection (1AAB)(c)—under section 34(1) of the Limited Partnership Fund Ordinance (of 2020) to a legal professional appointed as a responsible person of a limited partnership fund;”.

- (5) Section 9A(3)—

Add in alphabetical order

“*limited partnership fund* (有限合夥基金) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

responsible person (負責人) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);”.

Division 10—Amendments to Business Registration Ordinance (Cap. 310)

113. Section 2 amended (interpretation and application)

- (1) Section 2(1), definition of *place of business*—

Repeal paragraph (ab)

Substitute

- “(ab) an open-ended fund company, its registered office;
(ac) a limited partnership fund, its registered office; and”.

- (2) Section 2(1)—

Add in alphabetical order

“*limited partnership fund* (有限合夥基金) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);”.

- (3) Section 2(1A)—

Repeal paragraph (ab)

Substitute

- “(ab) an open-ended fund company;
(ac) a limited partnership fund; or”.

- (4) Section 2(1A), Chinese text—

Repeal

“該公司的”

Substitute

“該公司或基金的”.

- (5) Section 2(1A), Chinese text—

Repeal

“該公司仍”

Substitute

“該公司或基金仍”.

- (6) Section 2(1B)(a), after “company”—

Add

“or limited partnership fund”.

114. Section 3 amended (persons answerable for doing all acts, etc. required to be done)

- (1) Section 3(1)—

Repeal paragraph (b)

Substitute

- “(b) in the case of a business carried on by a partnership (other than a limited partnership fund), all partners;
(ba) in the case of a business carried on by a limited partnership fund—

- (i) the general partner in the fund;
- (ii) the authorized representative of the fund (if any); or
- (iii) the investment manager of the fund; and”.

(2) Section 3(1)(c), Chinese text—

Repeal

“一人以上的”.

(3) After section 3(3)—

Add

“(3A) Where the person carrying on business who is required under this Ordinance to do any act or thing is a limited partnership fund, the general partner in, or investment manager of, the fund is answerable for doing that act or thing.

(3B) For the purposes of subsection (3A), if a limited partnership fund has an authorized representative, the reference to the general partner in the fund in that subsection is a reference to the authorized representative.”.

(4) Section 3(5), Chinese text, definition of 無行為能力的人—

Repeal

“人。”

Substitute

“人；”.

(5) Section 3(5)—

Add in alphabetical order

“*authorized representative* (獲授權代表) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

general partner (普通合夥人) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);

investment manager (投資經理) has the meaning given by section 2 of the Limited Partnership Fund Ordinance (of 2020);”.

115. Section 6 amended (registration of business and issue of business registration certificate)

Section 6(4AA)—

Repeal

everything after “certificate,”

Substitute

“if—

- (a) the application is made by an open-ended fund company for registration by a name that is not the name of the company; or
- (b) the application is made by a limited partnership fund for registration by a name that is not the name of the fund.”.

116. Section 7A amended (refund of prescribed business registration fees, prescribed branch registration fees or levies)

(1) Section 7A(3), after “following companies”—

Add

“or fund”.

(2) After section 7A(3)(ac)—

Add

“(ad) a limited partnership fund;”.

117. Section 9 amended (exemption from payments of fees for small businesses)

After section 9(6)(ab)—

Add

“(ac) a limited partnership fund;”.

Division 11—Amendments to Business Registration Regulations (Cap. 310 sub. leg. A)

118. Regulation 3 amended (application for registration)

Regulation 3(1)—

Repeal paragraph (c)

Substitute

“(c) in the case of a business carried on by a partnership (other than a limited partnership fund) or other body of persons, in Form 1(c);

(ca) in the case of a business carried on by a limited partnership fund, in Form 1(ca); and”.

119. Regulation 9 amended (forms)

(1) Regulation 9, Form 1(c), after “*partnership*”—

Add

“(other than limited partnership fund)”.

(2) Regulation 9, after Form 1(c)—

Add

“B.R. No.

Form 1(ca)

[reg. 3(1)]

Business Registration Regulations

Application by a limited partnership fund for registration

SECTION A.

1. Business carried on:

(a) Name under which carried on:

(i) In English :

(ii) In Chinese :

(b) Address of registered office :

(c) Date of certificate of registration issued under the Limited Partnership Fund Ordinance (of 2020) :

(d) Address of place of business :

(e) Description and nature of business :

(f) Date commenced :

2. General Partner:

(a) Name :

(b) Aliases (if any) :

- (c) *Identity card
number/Passport
number/Business
registration
number :
- (d) *Residential
address/Registered
office address :

I wish/do not wish* to elect that the expiry date to be endorsed on all applicable business registration certificates (as defined by section 6 of the Business Registration Ordinance (Cap. 310)) to be issued at any time afterwards in respect of the above business is to be the date of the expiry of 3 years from the date of commencement endorsed on those certificates.

CERTIFICATE OF APPLICANT

I certify that the particulars set out in this application are true.
Date:
Signed:
Name in block letters:
Designation within
the limited partnership fund:

(i.e. General Partner/Authorized
Representative/Investment
Manager)

* Delete as appropriate.

SECTION B.
For official use only.”.

**Division 12—Amendment to Resolution of the Legislative
Council Establishing Companies Registry Trading Fund
(Cap. 430 sub. leg. B)**

120. Schedule 1 amended (services to be provided by the trading fund)

Schedule 1, after section 4A—

Add

“4B. Administering and enforcing the provisions of the Limited Partnership Fund Ordinance (of 2020) relating to limited partnership funds, including facilitating the registration of limited partnership funds and maintaining a register of limited partnership funds.”.

Division 13—Amendment to Administrative Appeals Board Ordinance (Cap. 442)

121. Schedule amended

The Schedule—

Add

“77. Limited Partnership Fund Ordinance (of 2020) A direction of the Registrar of Companies to change the name of a limited partnership fund under section 42 or 43.”.

**Division 14—Amendment to Securities and Futures
 Ordinance (Cap. 571)**

122. Schedule 5 amended (regulated activities)

Schedule 5, Part 2, definition of *leveraged foreign exchange trading*, paragraph (iv)—

Repeal

everything after “to which”

Substitute

“is—

- (A) a corporation;
- (B) a limited partnership registered under the Limited Partnerships Ordinance (Cap. 37); or
- (C) a limited partnership fund registered under the Limited Partnership Fund Ordinance (of 2020);”.

Schedule 1

[ss. 11, 18, 20, 23, 33 &
 99]

**Information Required in Application for Registration as
 Limited Partnership Fund**

1. The proposed name of the limited partnership fund.
2. The proposed address of the registered office of the limited partnership fund.
3. The proposed investment scope and proposed principal place of business of the limited partnership fund.
4. If the person proposed to be the general partner in the limited partnership fund (*proposed general partner*) is a natural person who is at least 18 years old—
 - (a) the full name of the person;
 - (b) the correspondence address (which must not be a post office box number) of the person;
 - (c) the number of the person’s identity card or, if the person does not have an identity card, the number and issuing country of any passport held by the person; and
 - (d) the signature of the person.
5. If the proposed general partner is a private company limited by shares incorporated under the Companies Ordinance (Cap. 622) or a former Companies Ordinance—
 - (a) the full name of the company;

- (b) the address of the company's registered office;
 - (c) the number of the company's business registration certificate; and
 - (d) the signature of a director or company secretary of the company.
6. If the proposed general partner is a registered non-Hong Kong company—
- (a) the full name of the company;
 - (b) the address of the company's principal place of business in Hong Kong;
 - (c) the number of the company's business registration certificate; and
 - (d) the signature of a director, company secretary, manager, or authorized representative (as defined by section 774(1) of the Companies Ordinance (Cap. 622)) of the company.
7. If the proposed general partner is a limited partnership registered under the Limited Partnerships Ordinance (Cap. 37)—
- (a) the full name of the limited partnership;
 - (b) the address of the limited partnership's principal place of business;
 - (c) the number of the limited partnership's business registration certificate; and
 - (d) the signature of a general partner in the limited partnership.
8. If the proposed general partner is another limited partnership fund—
- (a) the full name of the fund;
 - (b) the address of the fund's registered office;

- (c) the number of the fund's business registration certificate;
 - (d) the signature of the general partner in, or (if applicable) the authorized representative of, the fund;
 - (e) the full name of—
 - (i) a Hong Kong resident who is at least 18 years old;
 - (ii) a company; or
 - (iii) a registered non-Hong Kong company, that is proposed to be the authorized representative of the limited partnership fund (*proposed authorized representative*); and
 - (f) a statement that the proposed authorized representative consents to be the authorized representative of the limited partnership fund.
9. If the proposed general partner is a non-Hong Kong limited partnership with a legal personality—
- (a) the full name of the limited partnership;
 - (b) the address of the limited partnership's principal place of business;
 - (c) the number of the limited partnership's business registration certificate (if any); and
 - (d) the signature of a general partner in the limited partnership.
10. If the proposed general partner is a non-Hong Kong limited partnership without a legal personality—
- (a) the full name of the limited partnership;
 - (b) the address of the limited partnership's principal place of business;

- (c) the number of the limited partnership's business registration certificate (if any);
 - (d) the signature of a general partner in the limited partnership;
 - (e) the full name of—
 - (i) a Hong Kong resident who is at least 18 years old;
 - (ii) a company; or
 - (iii) a registered non-Hong Kong company, that is proposed to be the authorized representative of the limited partnership fund (*proposed authorized representative*); and
 - (f) a statement that the proposed authorized representative consents to be the authorized representative of the limited partnership fund.
11. For items 8(e) and 10(e)—
- (a) if the proposed authorized representative is a Hong Kong resident—
 - (i) the correspondence address (which must not be a post office box number) of the Hong Kong resident;
 - (ii) the number of the Hong Kong resident's identity card; and
 - (iii) the signature of the Hong Kong resident;
 - (b) if the proposed authorized representative is a company—
 - (i) the address of the company's registered office;
 - (ii) the number of the company's business registration certificate; and
 - (iii) the signature of a director or company secretary of the company; and

- (c) if the proposed authorized representative is a registered non-Hong Kong company—
 - (i) the address of the company's principal place of business in Hong Kong;
 - (ii) the number of the company's business registration certificate; and
 - (iii) the signature of a director, company secretary, manager, or authorized representative (as defined by section 774(1) of the Companies Ordinance (Cap. 622)) of the company.
12. The full name of the person proposed to be the investment manager of the limited partnership fund (*proposed investment manager*) and—
- (a) if the proposed investment manager is a Hong Kong resident, the number of the Hong Kong resident's identity card; or
 - (b) if the proposed investment manager is a company or registered non-Hong Kong company, the number of the company's business registration certificate.
13. The full name of the person proposed to be a responsible person of the limited partnership fund (*proposed responsible person*) and—
- (a) the number of the proposed responsible person's identity card or, if the proposed responsible person does not have an identity card, the number and issuing country of any passport held by the proposed responsible person; or
 - (b) if the proposed responsible person is an entity other than a natural person, the number of the proposed responsible person's identification document specified in the application form.

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14. A declaration and undertaking from the applicant, by way of signature on the application form, that—
- (a) the fund is intended to be set up as a limited partnership fund; and
 - (b) the fund meets the eligibility requirements in section 7.
15. One of the following statements—
- (a) a statement that not all the proposed partners in the fund are corporations in the same group of companies;
 - (b) a statement that—
 - (i) all the proposed partners in the fund are corporations in the same group of companies; and
 - (ii) the applicant understands that if the fund is registered as a limited partnership fund, the Registrar may strike the name of the fund off the LPF Register if all the partners in the fund are corporations in the same group of companies after the second anniversary of the date on which its certificate of registration is issued under section 13.
16. A confirmation on whether or not the records that the fund will be required to keep under section 29 will be kept in the office referred to in item 2 and, if the records will be kept in another place in Hong Kong, the address of that other place.
17. A statement that the applicant understands that it is an offence to make a statement in the application that is false, misleading or deceptive in a material respect.
18. The full name and contact information of the Hong Kong firm or solicitor referred to in section 11(2)(d) and, if the solicitor is

practising in sole proprietorship, the number of the solicitor's business registration certificate.

Schedule 2

[ss. 27 & 99]

Activities not Regarded as Management of Limited Partnership Fund

1. Acting as an agent, member, contractor, officer or employee of the limited partnership fund. Serving on a board or committee of the fund. Exercising any powers or authority or performing any obligations in the capacity of the above positions.
2. Acting as an agent, director, shareholder, member, contractor, officer or employee of the general partner in the fund. Serving on a board or committee of the general partner. Exercising any powers or authority or performing any obligations in the capacity of the above positions.
3. Authorizing a person to act as an agent, member, contractor, officer or employee of the fund.
4. Authorizing a person to act as an agent, director, shareholder, member, contractor, officer or employee of the general partner in the fund.
5. Appointing a person to serve on a board or committee of the fund or of the general partner in the fund, or revoking such appointment.
6. Entering into, or acting under, a contract with the general partner or a limited partner in the fund, which does not require, or the action under which does not involve, a limited partner taking part in the day-to-day management of the fund.

7. Serving on the board of directors, or a committee, of—
 - (a) any corporation in which the fund has an interest; or
 - (b) any corporation providing management, consultation, custody or other services to the fund, or having a business relationship with the fund.
8. Appointing a person to serve on the board of directors, or a committee, of—
 - (a) any corporation in which the fund has an interest; or
 - (b) any corporation providing management, consultation, custody or other services to the fund, or having a business relationship with the fund,
 or revoking such appointment.
9. Discussing with or advising—
 - (a) the general partner or another limited partner in the fund; or
 - (b) the investment manager of the fund,
 about the business, prospects, affairs or transactions of the fund.
10. Approving or authorizing—
 - (a) the general partner or another limited partner in the fund; or
 - (b) the investment manager of the fund,
 to do anything in connection with the business, prospects, affairs or transactions of the fund.
11. Calling, requesting, attending or participating in a meeting of the partners in the fund.

12. Exercising any right or power conferred under the limited partnership agreement of the fund, other than a power to carry out management functions, but including the right to vote on or signify approval or disapproval to any proposed transaction of the fund.
13. Consulting, investigating, reviewing, approving or advising on the accounts, the valuation or the assets of the fund or the affairs of the fund.
14. Acting as a guarantor for the fund or for the general partner in the fund.
15. Approving or disapproving an amendment to the limited partnership agreement of the fund or taking part in a decision about the variation of, or waiver of a term of, the limited partnership agreement or associated documents.
16. Commencing, continuing or defending, or instructing a person to commence, continue or defend, legal proceedings on behalf of the fund if the general partner in the fund has refused to do so without good reason.
17. Having the whole or a part of the name of the limited partner included in the name of the fund.
18. Taking part in a decision about—
 - (a) whether a person should become or cease to be the general partner or a limited partner in the fund;
 - (b) whether an application should be made for the deregistration of the fund, or whether the fund should be dissolved;
 - (c) whether the term of the fund should be extended;

- (d) changes in the persons responsible for the day-to-day management of the fund;
- (e) the incurrence or renewal of indebtedness by the fund;
- (f) a change in the investment scope of the fund;
- (g) entering into contracts with other parties in relation to the business of the fund;
- (h) enforcing an entitlement under the limited partnership agreement of the fund, which does not involve a limited partner in the fund taking part in the day-to-day management of the fund;
- (i) the exercise of the fund's rights in respect of an investment;
- (j) the participation by a limited partner in the fund in a particular investment by the fund; or
- (k) the creation, extension, variation or discharge of any other obligation owed by the fund.

Schedule 3

[ss. 2, 98 & 99]

Fees

Column 1 Item	Column 2 Matter in respect of which a fee is payable	Column 3 Fee \$
1.	For lodging an application for the registration of a fund as a limited partnership fund under section 11(2)(e)(i)	479
2.	For registering a fund as a limited partnership fund under section 11(2)(e)(ii)	2,555
3.	For filing a notification of change of authorized representative under section 23	26
4.	For filing an annual return under section 24	105
5.	For filing a notification of change under section 25	26
6.	For filing a notification of change of place under section 31	26
7.	For filing a notification of change of name of a limited partnership fund under section 40	160

Column 1 Item	Column 2 Matter in respect of which a fee is payable	Column 3 Fee \$
8.	For issuing a certificate of change of name of a limited partnership fund under section 41	1,245
9.	For each inspection of any document on the LPF Register under section 62(3)	13
10.	For certifying a copy of any document or information on the LPF Register under section 62(4)	90
11.	For lodging an application for the deregistration of a limited partnership fund under section 68	420
12.	For filing a notification of dissolution under section 70	26
13.	For lodging an application for the registration of a specified fund (as defined by section 78) as a limited partnership fund under section 79(3)(c)(i)	479
14.	For registering a specified fund (as defined by section 78) as a limited partnership fund under section 79(3)(c)(ii)	2,555

Explanatory Memorandum

The main purpose of this Bill is to provide for the registration of a fund as a limited partnership fund (*LPF*).

2. The Bill contains 10 Parts and 3 Schedules.
3. Part 1 contains preliminary provisions. In particular—
 - (a) clause 1 sets out the short title and provides for commencement; and
 - (b) clauses 2 to 6 define expressions used in the Bill (including “limited partnership fund”, “general partner”, “limited partner” and “fund”).
4. Part 2 provides for how a fund may be registered as an LPF. In particular—
 - (a) Division 1 provides for the eligibility for registration and the naming requirements; and
 - (b) Division 2 sets out the registration procedures.
5. Part 3 contains provisions concerning the operation of an LPF. In particular—
 - (a) Divisions 1 to 3 provide for the rights, responsibilities and liabilities of the partners in an LPF;
 - (b) Division 4 requires the general partner in, or investment manager of, an LPF to keep records of the fund;
 - (c) Division 5 requires the general partner in an LPF to appoint a person to perform anti-money laundering and counter-terrorist financing functions and obligations for the fund; and
 - (d) Division 6 provides for the change of an LPF’s name.
6. Part 4 provides for the establishment and maintenance of a register of LPFs and an index of the names of LPFs.

7. Part 5 provides for the striking off and deregistration of an LPF.
8. Part 6 provides for the dissolution and winding up of an LPF.
9. Part 7 provides for how a fund set up in the form of a limited partnership registered under the Limited Partnerships Ordinance (Cap. 37) may be registered as an LPF.
10. Part 8 creates various offences (including offences for failure to comply with directions, destroying documents and making false statements).
11. Part 9 contains miscellaneous provisions (including the application of the Partnership Ordinance (Cap. 38), and the rules of equity and of common law, to an LPF).
12. Part 10 contains related and consequential amendments to various enactments.
13. Schedule 1 sets out the information required in an application for registration as an LPF.
14. Schedule 2 sets out the activities the conduct of which by a limited partner in an LPF will not be regarded as taking part in the management of the fund.
15. Schedule 3 sets out the fees payable under the Ordinance.

Economic Implications of the Proposal

On economic implications, the proposed registration regime would help attract investment funds to set up and operate in Hong Kong in the form of a limited partnership. This can create new business opportunities for the asset and wealth management sector and generate demand for related professional services including legal, accounting and fund administration services. This would help consolidate Hong Kong's status as an international asset and wealth management centre and enhance our status as an international financial centre.