



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

28 January 2025

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

Circular Issued by the Securities and Futures Commission on Deficiencies and Substandard Conduct Noted in the Management of Private Funds and Discretionary Accounts

I am writing to draw your attention to the attached circular issued by the Securities and Futures Commission (“SFC”) (“the Circular”), which shared deficiencies and substandard conduct identified in the SFC’s supervision of licensed corporations engaged in managing private funds and discretionary accounts.

The Circular highlighted cases involving breaches of regulatory requirements in areas ranging from conflicts of interest, risk management and investment within mandate, information for investors, to valuation methodologies.

Registered institutions (“RIs”) which engage in asset management should have due regard to the Circular. The Hong Kong Monetary Authority will monitor RIs’ asset management activities in the course of its supervision.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

Encl.

c.c. SFC (Attn: Dr Eric Yip, Executive Director, Intermediaries)