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## **The Government's Proposals to Establish a Limited Partnership Regime for Funds**

This is in response to the briefing paper from the Financial Services and the Treasury Bureau dated 31 July 2019 relating to certain proposals to establish a Limited Partnership Regime for Funds.

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HKIoD supports the further development of Hong Kong as a major international financial centre. A stronger more vibrant asset and wealth management industry is one key component towards this end.

Limited partnership is usually the preferred entity form for private equity funds, but existing Hong Kong laws on limited partnerships are from an old era and not suited to the needs and demands of modern-day PE funds. To modernize laws and regulations so not to hamper finance and commerce is paramount if Hong Kong were to keep its competitive strength.

HKIoD supported legislations to introduce an open-ended fund company regime. Hong Kong can benefit from more choices of legal forms of investment funds.

HKIoD supports the introduction of a limited partnership regime for funds, as such should have a tangible effect of tipping the balance of choice for fund managers to establish and operate PE funds in Hong Kong. Enhancing the domestic market for private equity funds should in turn spur further growth of the asset and wealth management business.

We agree with the aim and scope of the present proposals. We trust that the FSTB will take in practitioners' and stakeholders' views to ensure that the eventual legislations are practical and not unnecessarily restrictive.

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