

Government extends Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts

The Government and the Securities and Futures Commission (SFC) announced today (April 26) details of the extension of the Grant Scheme for Open-ended Fund Companies and Real Estate Investment Trusts.

To further attract the set-up of open-ended fund companies (OFCs) and real estate investment trusts (REITs) in Hong Kong, the Government launched the Grant Scheme in 2021 to provide funding support for OFCs set up in or re-domiciled to Hong Kong and REITs listed in Hong Kong to pay for eligible expenses charged by Hong Kong-based professional service providers.

Implemented by the SFC, the Grant Scheme has generally been well received by the industry since its inception. The 2024-25 Budget has announced the extension of the Grant Scheme for three years to 2027 to strengthen the development of OFCs and REITs in Hong Kong.

A spokesman for the Financial Services and the Treasury Bureau said, "The Government is committed to strengthening Hong Kong's competitive edge as a premier fund hub. Since the introduction of the Grant Scheme, the number of OFCs registered in Hong Kong has increased substantially from 14 in May 2021 to 302 in March 2024. The Grant Scheme has effectively promoted the development of Hong Kong's diversified fund industry. In respect of REITs, the Budget has announced waiving the stamp duty payable on the transfer of REIT units. On April 19, the China Securities Regulatory Commission announced the inclusion of REITs under Stock Connect. The extended Grant Scheme, complementing relevant measures, will further bolster the development of our REIT market."

The extended Grant Scheme will be open for applications from May 10, 2024. Eligible OFCs and REITs will be provided with funding support for 70 per cent of eligible expenses paid to Hong Kong-based service providers, subject to a cap of \$1 million for each publicly offered OFC, \$500,000 for each privately offered OFC, and \$8 million for each REIT. Details are available on the SFC website (apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=24PR78).