

Government welcomes passage of Limited Partnership Fund Bill

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, welcomed the passage of the Limited Partnership Fund Bill by the Legislative Council today (July 9).

The new Ordinance establishes a limited partnership fund regime which enables funds to be registered in the form of limited partnerships in Hong Kong. The new Ordinance will come into operation on August 31, 2020.

Mr Hui said that as Hong Kong strives to develop into an international asset and wealth management centre, the new Ordinance made impressive strides on this front in attracting investment funds (including private equity and venture capital funds) to set up and operate in Hong Kong. This would further promote Hong Kong's private equity market and drive demand for local related professional services, and in turn strengthen Hong Kong's position as an international financial centre.

The limited partnership fund regime is an opt-in registration scheme administered by the Companies Registry. Limited partnership is a common constitution form for private funds such as private equity funds. In a limited partnership, the general partner (i.e. operating person) with unlimited liability in respect of the debts and liabilities of the fund and the limited partner(s), who are essentially investors, with limited liability will have freedom of contract in respect of the operation of the partnership.