

Limited Partnership Fund Bill gazetted

The Government published in the Gazette today (March 20) the Limited Partnership Fund Bill to provide for a new registration regime to enable funds to be constituted in the form of limited partnerships in Hong Kong.

A Government spokesperson said, "The Bill seeks to attract investment funds (including private equity and venture capital funds) to set up and operate in Hong Kong. This would help strengthen Hong Kong's position as an international asset and wealth management centre and drive demand for the related professional services in Hong Kong.

"In recent years, private equity funds have been playing a pivotal role in channelling capital into corporates, especially start-ups in the innovation and technology field. Hong Kong, as the second largest private equity market in Asia, is well-placed to expand its private equity business."

"The new limited partnership fund regime will be an opt-in registration scheme administered by the Companies Registry. It will cater for the operational needs of investment funds with elements of investor protection built in," the spokesperson added.

A 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.

The Bill will be introduced into the Legislative Council for first reading on March 25.