



Updates on the Grant Scheme for Hong Kong Open-ended Fund Companies (OFCs) and Real Estate Investment Trusts (REITs)

The Securities and Futures Commission (the SFC) on 31 March 2025 announced [changes to the grant scheme concerning open-ended fund companies \(OFCs\) and real estate investment trusts \(REITs\)](#) in Hong Kong, regimes introduced under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the SFO) with the aim of enhancing Hong Kong's competitiveness as an international asset management centre. The key changes came into effect on 11 April 2025 and are summarised as follows:

- **Revised caps:**
 - **Public OFC:** maximum grant of HK\$300,000
 - **Private OFC:** maximum grant of HK\$150,000
 - **REIT:** maximum grant of HK\$5 million
- **Application limit:** only 1 OFC per investment manager is eligible. Investment managers who have already received a grant will not be entitled to additional grants under the scheme.

The revised parameters mark a substantial reduction from the original caps of HK\$1 million per public OFC, HK\$500,000 per private OFC, and HK\$8 million per REIT, which continue to apply to applications submitted to the SFC prior to 11 April 2025.

Background: the Hong Kong OFC Regime

The OFC regime was launched in July 2018 as a corporate fund structure tailored for investment funds, offering flexibility with respect to capital inflows and outflows, and providing an alternative to traditional unit trust structures. As a corporate structure governed by the SFO and regulated by the SFC, the OFC regime enables asset managers to manage funds in a vehicle that supports variable share capital, ring-fencing of sub-funds, and other internationally recognisable features.

In May 2021, the Hong Kong Government, through the SFC, introduced a grant scheme to incentivise the adoption of OFCs and SFC-authorised REITs. This scheme aims to subsidise eligible expenses paid to Hong Kong-based service providers including, *inter alia*, fees charged by law firms or legal advisors; auditors, accountants or tax advisors; fund administrators, corporate service providers or company secretaries; regulatory consultants; valuers; marketing agencies or consultants; and listing agents, which are incurred in the setting up, re-domiciliation or listing (as the case may be) of these vehicles.

In the [2024-25 Budget](#), the Government confirmed a three-year extension of the grant scheme, which will be running until May 2027 (subject to funding availability).

Asset Management Industry Response and Growth

According to statistics provided by the SFC, the grant scheme has witnessed wide industry support since its inception. As of the end of February 2025, the number of registered OFCs in Hong Kong rose to 502 - representing a year-on-year increase of 81%. In total, 430 OFCs and one REIT have benefitted from the grant scheme to date.

OFC Grant Scheme Practical Considerations

The scheme continues to operate on a first-come-first-served basis, and will expire either upon full disbursement of the available funding or in May 2027, whichever occurs first. Accordingly, the SFC encourages applicants to act promptly should they wish to take advantage of the remaining support.

The SFC has indicated that updated application forms and FAQs will be released in due course. Market participants are encouraged to consult the SFC or the relevant case officers in charge prior to making an application.

Hong Kong OFCs in 2025 and beyond

The continued support of the OFC and REIT grant scheme, albeit on revised terms, reflects the Government's commitment to developing Hong Kong as a premier fund domicile. The significant growth in OFCs demonstrates a clear appetite from market participants, and the extended scheme provides a continued window of opportunity for those seeking to establish funds under this flexible corporate structure.

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