



香港信託人公會
Hong Kong Trustees' Association

Custody/Fiduciary, Control & Compliance: Hong Kong OFC vs Cayman SPC Unpacked

11 June 2025

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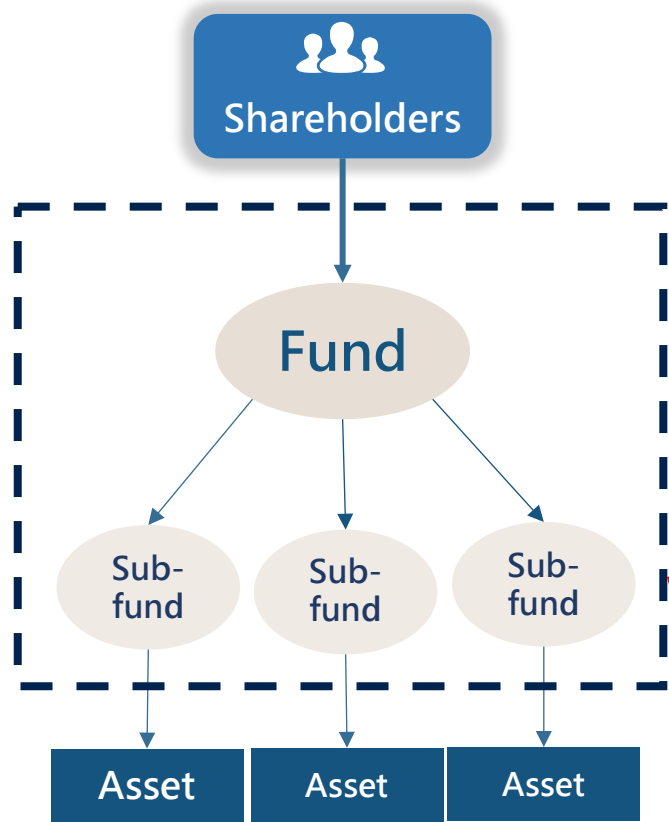
Custody/Fiduciary, Control & Compliance: Hong Kong OFC vs Cayman SPC Unpacked





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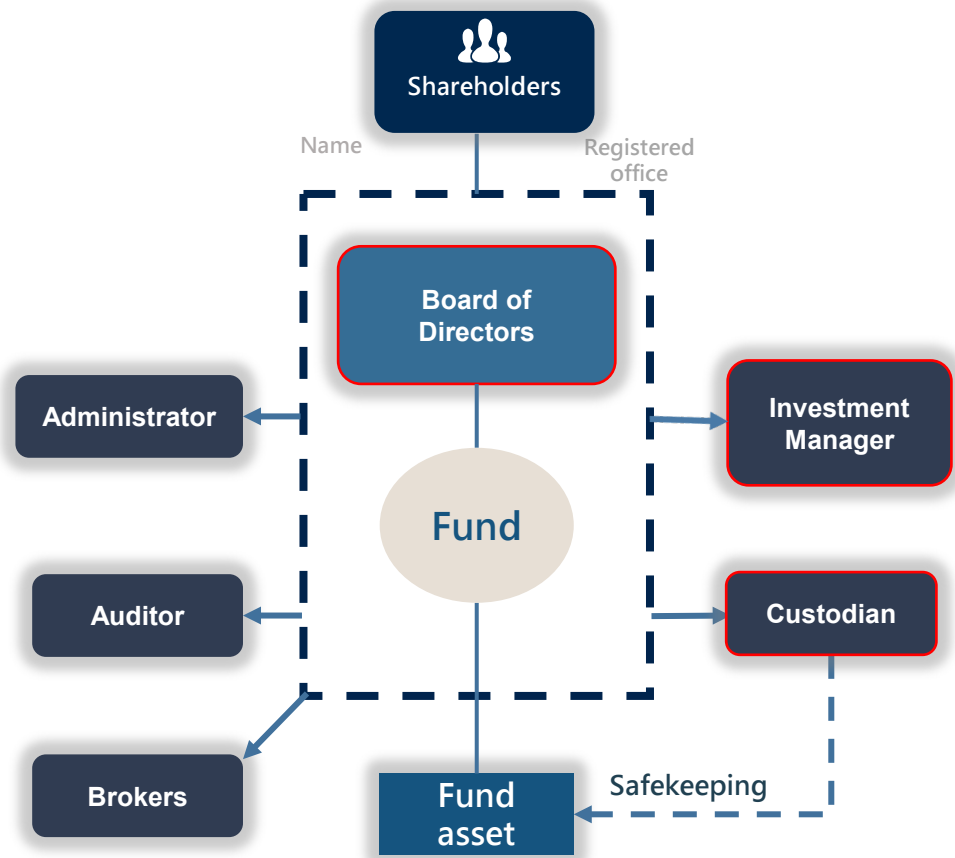




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	HK OFC 	Cayman SPC 
Limited liability for investors	Same	
Type of Fund	Public or private	Open-ended (Mutual Funds Act) Closed-ended (Private Funds Act)
Primary Regulator	Securities and Futures Commission 	Cayman Islands Monetary Authority 
Sub-funds segregation	Securities and Futures Ordinance (Cap.571)	Companies Act
Cross-investment between sub-funds	Allowed	Not permitted
Annual filings	Financial reports (including any interim reports) + Tax Return	Audited Financial Statements + Fund Annual return + annual fees to CIMA & RoC



	HK OFC 	Cayman SPC 
Directors	No residential qualification Individual director only (min. 2)	No residential qualification Corporate director acceptable (min. 2)
	Appointment – SFC approval Removal – notify SFC No annual fees	CIMA licence or registration Annual fees payable
Investment Manager	SFC Type 9 licence required	No residence requirements in Cayman SFC Type 9 licence required if IM operates in HK
Custodian	Required; OFC Code/UT Code	Required; CIMA Rule Segregation of Assets - Regulated Mutual Funds

HK OFC custodian: eligibility requirements

1. Custodian of SFC-authorized funds (UT Code **before October 2024**)
 - a **bank** licensed under section 16 of the Banking Ordinance
 - a **trust company** registered which is a subsidiary of a bank or an overseas banking institutional
 - a trust company which is a **trustee of MPF** schemes
 - a **banking institution** incorporated **outside Hong Kong** which is subject to prudential regulation and supervision on an ongoing basis, or an entity which is authorized to act as trustee/custodian of a scheme and prudentially regulated and supervised by an overseas supervisory authority acceptable to the SFC

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- A depositary licensed or registered to carry on **Type 13 regulated activity** under Part V of the SFO

HK OFC custodian: eligibility requirements

2. Type 1 licenced corporation (for private OFCs only)
 - further requirements: no “do not hold clients assets” condition; more than HK\$10million paid-up share capital/HK\$3m liquid capital; OFC is a client; RO for overall management and supervision of custodial function; independent from IM

Other requirements

- sufficient experience, expertise and competence in safekeeping the relevant asset types
- adequate internal controls and systems suitable for specific risks
- HK process agent for overseas custodians

Key duties of OFC Custodians

- Delivery of physical assets / title docs
- Registration in book entry form
- *Don't ignore scheme property which by nature cannot be held in custody → proper record!*

Custody

Maintain proper record

- To account for all scheme property (including cash and property that cannot be held in custody)
- To trace asset movements
- To maintain audit trail

- Ownership verification
- Asset segregation from assets of custodian/sub-custodian, IM/affiliates, other clients
- Prohibition to reuse assets without consent
- Risk management

And more...

Specific duties for Private OFC & Public OFC

- (Private OFC) Appendix A
 - HK money especially for non-banks
 - HK securities
 - record-keeping
- (Public OFC) UT Code & Code of Conduct Sch.11