

# Legal 500

## Country Comparative Guides 2025

**Hong Kong**

**Alternative Investment Funds**

**Contributor**

CFN Lawyers



**Keith (Kai) Yuan**

Partner, CFN Lawyers | [kaiyuan@cfnlaw.com.hk](mailto:kaiyuan@cfnlaw.com.hk)

**Bowie Fung**

Founding Partner, CFN Lawyers | [bowie.fung@cfnlaw.com.hk](mailto:bowie.fung@cfnlaw.com.hk)

This country-specific Q&A provides an overview of alternative investment funds laws and regulations applicable in Hong Kong.

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# Hong Kong: Alternative Investment Funds

## 1. What are the principal legal structures used for Alternative Investment Funds?

Alternative Investment Funds ("AIFs") may be established locally in Hong Kong in the form of unit trusts, open-ended fund companies ("OFCs") or limited partnership funds ("LPFs").

As there are no requirements for AIFs offered in Hong Kong to be established locally, it is also possible to set up AIFs in the form of exempted companies with limited liability or limited partnerships in the offshore jurisdictions such as Cayman Islands and British Virgin Islands. Notwithstanding the above, fund managers, general partners and their representatives or agents should pay attention to the requirements of the Securities and Futures Ordinance (Cap. 571) ("SFO") in respect of the offering and active marketing of the fund interest (whether established locally or not) in Hong Kong.

## 2. Does a structure provide limited liability to the investors? If so, how is this achieved?

Generally, all structures provide limited liability to the investors. The liability of investors of corporate-structured funds such as participating shareholders of OFCs with variable capital are limited to the share capital of their investments and investors of partnership-structured funds are limited to their agreed commitments. Investors must refrain themselves from participation into active fund management process such as investment decision making process of the AIFs otherwise they might lose the limited liability protection.

## 3. Is there a market preference and/or most preferred structure? Does it depend on asset class or investment strategy?

LPFs in Hong Kong and exempted limited partnerships established in the Cayman Islands are generally preferred for closed-end private equity funds. OFCs in Hong Kong and exempted companies with limited liability, or so-called segregated portfolio companies, incorporated in the Cayman Islands are generally preferred for umbrella and open-ended hedge funds. In recent years, OFCs are gaining more popularity among Hong Kong local fund managers and investors in Greater China regions with

lower establishment and maintenance costs and closer access to Great China markets compared to traditional offshore funds.

## 4. Does the regulatory regime distinguish between open-ended and closed-ended Alternative Investment Funds (or otherwise differentiate between different types of funds or strategies (e.g. private equity vs. hedge)) and, if so, how?

In Hong Kong, the legislative regime does not distinguish open-ended or closed-ended AIFs, or otherwise differentiate between different types of funds or strategies. AIFs generally fall within the scope of "collective investment schemes", which are defined as "securities" under the SFO, and the management and distribution of "collective investment schemes" are bound by the SFO. Interestingly, although OFCs have an initial of "open-ended" the SFC has made it very clear that this fund structure can also be adopted for closed-ended funds with adoption of proper redemption restrictions and lock-up arrangement.

## 5. Are there any limits on the manager's ability to restrict redemptions? What factors determine the degree of liquidity that a manager offers investors of an Alternative Investment Fund?

For an open-ended AIF, the manager's ability to restrict redemptions would be subject to the fund's constitutive documents and the investment management agreement between the manager and the fund, relevant regulatory codes applicable to the manager as well as certain contractual arrangement with specific investors via side letters. If the manager is a licensed fund manager in Hong Kong, it will be required to comply with the Securities and Futures Commission's ("SFC's") Fund Manager Code of Conduct ("FMCC"). The FMCC requires a manager in managing a fund to consider the appropriateness of liquidity management tools, taking into account the nature of assets held by the fund and its investor base, and that disclosure should be made to all investors in relation to any preferential redemption terms that the fund has granted to its investors.

To incentivize the managers to use Hong Kong local fund structure, for AIFs established in Hong Kong such as LPFs or OFCs, the managers are given great extent of flexibility to offer terms and conditions concerning the redemption and there are no statutory requirements on redemptions or liquidity as long as the FMCC are properly observed.

Typically, the factors which determine the liquidity tools that a fund should consider would include, without limitation, the nature of investments to be made by the fund (whether they are liquid or illiquid), the likely volume of redemption requests (which risks the liquidity or solvency of the fund) caused by economic downturns, natural disasters, corporate action (e.g. mergers or re-organisations), the departure of key personnel and the number and type of investors and the viability of distribution or redemption in-species.

#### **6. What are potential tools that a manager may use to manage illiquidity risks regarding the portfolio of its Alternative Investment Fund?**

There are no legal or regulatory requirements in Hong Kong regarding the tools that a manager may use to manage illiquidity risks in an AIF.

However, typically, tools such as redemption notice periods, early redemption charge, redemption gates, temporary suspension of redemptions, redemptions in-specie and side pockets may be adopted by a fund. Where a side pocket is created, the FMCC requires that managers that are responsible for the overall operation of a fund to disclose certain side pocket terms to fund investors. If an OFC is in issue, the offering documents should be filed with the SFC before its launch, in which if a side pocket arrangement is included, such arrangement should be carefully structured to be operationally viable and properly disclosed.

#### **7. Are there any restrictions on transfers of investors' interests?**

For AIFs established in Hong Kong as LPFs or OFCs, there are no statutory restrictions (except for general anti-money laundry regulations) on the transfer of interests in funds.

However, typically, managers will contractually impose restrictions on the transfer of fund interests in the constitutive documents of the fund, for example, requiring the transferor and the transferee of interests to satisfy certain legal and compliance requirements and

background checks for KYC and AML purpose before the fund sponsor granting consent to the transfer. Certain funds may charge a fee to cover administrative cost for the transfer. Alternatively, transfer of interests is subject to general partner or directors' consent in principle provided that some permitted transfers could be agreed in advance in the offering documents where prior consent is not required.

#### **8. Are there any other limitations on a manager's ability to manage its funds (e.g., diversification requirements)?**

Managers of private AIFs are generally restricted to the extent of the limitations in the management agreement, which, subject to the authorisation of the fund's constitutive documents and pursuant to the investment scope, strategy and restrictions set out therein, should clearly outline the investment objectives, strategies, policies and scope, including the different types of investments or products, investment restrictions, diversification requirements, borrowing limits and hedging arrangements. Additionally, as required by the FMCC, fund managers in Hong Kong need to ensure that transactions carried out on behalf of each fund are in accordance with the funds' stated objectives, investment restrictions and guidelines.

In addition, the SFC has issued a circular on 9 October 2024 to emphasize the importance of proper investment management policies and procedures in place, including keeping record of investment decisioning process, adequate investment research and due diligence to ensure investment strategies and restrictions are complied with to avoid potential concentration, liquidity or credit risks due to deficiencies and misconduct. It is particularly important at the initial stage of the fund's inception as the investments may naturally be centralized at that stage.

#### **9. What is the local tax treatment of (a) resident, (b) non-resident, (c) pension fund and (d) sovereign wealth fund investors (or any other common investor type) in Alternative Investment Funds? Does the tax status or preference of investors or the tax treatment of the target investments primarily dictate the structure of the Alternative Investment Fund?**

For individuals, regardless of whether the person is a resident or non-resident, personal investment income and capital gains are generally not subject to tax in Hong

Kong unless such income or gain is part of that individual's trade, profession or business.

For corporate investors, regardless of whether the person is a resident or non-resident, profits tax may be payable if the investor carries on a trade, profession or business, and derives profit from such activities, in Hong Kong.

Private AIFs, regardless of domicile, that carry on business in Hong Kong and derives profit from that business in Hong Kong will be subject to profits tax in Hong Kong, but may be exempted under the Unified Funds Exemption (UFE) if certain requirements are met. The Unified Funds Exemption applies to income arising from "qualifying transactions" and transactions incidental to the carrying out of "qualifying transactions" of up to 5 percent of a fund's total trading receipts. "Qualifying transactions" are investments in specified asset classes, including securities, futures contracts, foreign exchange contracts, bank deposits, exchange-traded commodities, foreign currencies and OTC derivative products.

The Hong Kong government is actively studying to enhance the UFE. Key enhancements include expanding the definition of "fund", broadening the scope of assets eligible for "qualifying transactions", and removing the hurdle rate requirement. These measures are expected to align with fund industry-level practices and boost Hong Kong's competitiveness in attracting capitals globally.

Investors' preference or tax status and treatment under foreign tax laws may dictate the structure of an AIF. For example, due to US laws and regulations, certain US investors prefer investing through "pass-through" entities (e.g. limited partnerships) while others prefer investing through "blocker" entities (e.g. corporates).

## **10. What rights do investors typically have and what restrictions are investors typically subject to with respect to the management or operations of the Alternative Investment Fund?**

Typically, investors have the right to participate in the income and profits arising from the AIF as well as certain level of information rights; but do not have any rights over the management or operations of the AIF. Subject to the constitutive documents, investors may also have rights to remove the manager or general partner of a fund, but in certain limited circumstances, such as in the event of a material breach of its obligations.

## **11. Where customization of Alternative**

## **Investment Funds is required by investors, what types of legal structures are most commonly used?**

If, for whatever reason, a separate vehicle is required to be established to cater for a particular or a particular group of investors' needs, such separate vehicle will usually be structured in the form of a sub-fund under an umbrella structured fund, a feeder vehicle, a parallel vehicle or an alternative investment vehicle, which can be structured in the form of a separate corporate entity, unit trust or limited partnership depending on the circumstances (such as tax, regulatory, etc).

## **12. Are managers or advisers to Alternative Investment Funds required to be licensed, authorised or regulated by a regulatory body?**

Managers and advisers are generally required to be licensed by the SFC if they carry on a business, or hold themselves out as carrying on a business, in a regulated activity in Hong Kong. Managers with full discretionary investment authority will typically be required to be licensed for Type 9 (asset management) regulated activity, while advisers without discretionary investment authority will typically be required to be licensed for Type 4 (advising on securities) regulated activity.

Additionally, in a circular issued by the SFC on 7 January 2020, the SFC clarified that general partners of private equity funds are generally required to be licensed for Type 9 regulated activity, unless they have fully delegated asset management functions to a Type 9 licensed entity. The SFC further clarified that that offers of co-investment opportunities by private equity firms will likely fall within the scope of "dealing in securities", thereby requiring private equity firms to also be licensed for Type 1 regulated activity.

An OFC must have at least one investment manager licensed or registered for Type 9 regulated activity in Hong Kong while managers of LPFs, if domiciled outside of Hong Kong, are not always required to obtain a license if no regulated activities, such as fundraising and investment decision making, are conducted in Hong Kong.

## **13. Are Alternative Investment Funds themselves required to be licensed, authorised or regulated by a regulatory body?**

Depending on the license conditions imposed on the

managers, private AIFs are typically offered to professional investors in Hong Kong, or in other manner as exempted from authorisation by the SFC under law (for example, in relation to a corporate AIF, to employees and no more than 50 persons, etc.).

However, in the unlikely event that an AIF is to be marketed or offered to retail investors in Hong Kong or otherwise not within an applicable exemption, the AIF and its marketing materials will be required to be authorized by the SFC in accordance with the requirements set out in the SFC's Code on Unit Trusts and Mutual Funds ("UT Code") or the Code on Open-Ended Fund Companies ("OFC Code"), which may or may not be possible depending on the investment strategy, its service providers and other factors.

As a notable exception, offering documents of OFCs must be filed with the SFC before they are provided to potential investors.

#### **14. Does the Alternative Investment Fund require a manager or advisor to be domiciled in the same jurisdiction as the Alternative Investment Fund itself?**

For AIFs established in Hong Kong: (i) in relation to LPFs there is such a requirement – the investment manager must be a Hong Kong resident who is at least 18 years old, a Hong Kong company or a foreign company registered as a non-Hong Kong company under the Companies Ordinance (Cap. 622); and (ii) in relation to OFCs, there is a requirement to appoint a Hong Kong manager that is licensed to conduct Type 9 regulated activity (asset management).

#### **15. Are there local residence or other local qualification or substance requirements for the Alternative Investment Fund and/or the manager and/or the advisor to the fund?**

For AIFs established in Hong Kong, a local presence is usually required, which may be in the form of a local company, registered office or authorised person.

Managers that operate in Hong Kong are also required to be established in the form of a local company (or, if a foreign company, registered as a non-Hong Kong company in Hong Kong) and where necessary, licensed by the SFC.

#### **16. What service providers are required by applicable law and regulation?**

With respect to private AIFs: (i) OFCs are required to appoint an investment manager, a custodian and an independent auditor; (ii) unit trusts are required to appoint a trustee and a management company; and (iii) LPFs are required to appoint an investment manager (although the general partner could be appointed as the investment manager) and an independent auditor; custodians are not mandatory as long as the general partner is able to ensure that there are proper custodial arrangements for the assets of the LPF. LPFs should also appoint a responsible person to carry out measures under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) at the time of its registration who must be an authorised institution, a licensed corporation, an accounting professional or a legal professional.

Additional requirements may be required for retail AIFs.

#### **17. Are local resident directors / trustees required?**

For private AIFs established in Hong Kong: (i) directors of OFCs do not need to be Hong Kong residents but local process agents must be appointed for non-local directors; (ii) the trustees of unit trusts do not need to be local; and (iii) for LPFs, its general partner needs to be a natural person at least 18 years old, a Hong Kong private limited company, a registered non-Hong Kong company, another LPF or a limited partnership established outside of Hong Kong (but for the latter two categories, a local authorized representative must be appointed by the general partner to be responsible for the management and control of the LPF).

Additional requirements may be required for retail AIFs.

#### **18. What rules apply to foreign managers or advisers wishing to manage, advise, or otherwise operate funds domiciled in your jurisdiction?**

Regardless of whether they are based in Hong Kong or abroad: (i) managers and advisers of all funds domiciled in Hong Kong are bound by the SFO; (ii) managers and advisers of authorized retail unit trusts domiciled in Hong Kong are bound by the UT Code; (iii) managers and trustees of REITs domiciled in Hong Kong are bound by the REIT Code; and (iv) managers of OFCs are bound by the OFC Code.



If foreign managers or advisers are conducting a regulated activity in Hong Kong (see question 12 above), or actively marketing a fund to the public of Hong Kong (see question 27 below), they will be bound by the SFO and are likely to be required to be licensed by the SFC. Licensed persons are required to comply with the Code of Conduct for Persons Licensed by or Registered with the SFC ("Code of Conduct") and, in the case of a manager, the FMCC.

### **19. What are the common enforcement risks that managers face with respect to the management of their Alternative Investment Funds?**

The SFC is the regulator in Hong Kong which exercises enforcement powers under the SFO. Each year the SFC conducts random inspections or audits of licensed entities to ensure its compliance with the SFO and the relevant codes issued by the SFC, including the Code of Conduct. In its 2024-2025 annual report, it was noted that the SFC had conducted 256 on-site inspections during the year and had issued 177 compliance advice letter to address areas of regulator concern, raise standards of conduct and promote compliance. If serious breaches are found, the SFC will also take disciplinary actions, which range from monetary fines, criminal proceedings, disqualification orders and bans from re-entering the industry. In 2023-2024, the SFC had taken disciplinary action against 17 individuals and 7 corporations on issues including, among others, AML/CFT-related breaches, mishandling of client assets, asset manager misconduct, market misconduct and internal control deficiencies.

### **20. What is the typical level of management fee paid? Does it vary by asset type?**

Management fee is typically between 1.0% and 2.0% and does range by asset type (e.g. fund-of-funds and funds investing in real estate will be at the lower end). Other varying factors include investment strategy (e.g. fund of funds will also be at the lower end), co-investment right (investment opportunities offered to investors to participate together with the fund may be charged a lower management fee depending on the investor's bargaining power) and the fund size.

### **21. Is a performance fee or carried interest typical? If so, does it commonly include a "high water mark", "hurdle", "water-fall", "preferred**

### **return" or other condition? If so, please explain.**

Yes, typically, the performance-related bonus is around 20%. For hedge funds, performance fees commonly include a "high water mark", which entitles the manager to receive the performance bonus only if the fund exceeds the highest NAV it previously achieved. Some hedge funds may also be subject to a "hurdle rate", i.e. performance fee is payable only if the "hurdle rate" (usually around 6-8%), with reference to the fund's annual rate of return, is exceeded.

In relation to private equity funds in Hong Kong, proceeds are typically distributed in a "waterfall" and most of the time on a deal-by-deal basis. Generally speaking, the first level of a waterfall involves a return of the investors' capital contributions, the second level is distributed to investors until they receive the "preferred return" on their investment, the third level is distributed to the sponsor until it receives the full amount of its performance bonus on the investor's "preferred return" (i.e. a "catch-up"), and the last level is split of the profit between the sponsor and the investors.

### **22. Are fee discounts / fee rebates or other economic benefits for initial investors typical in raising assets for new fund launches?**

This is a commercial decision between the fund and the investor. Early bird investments may be eligible for better fee discount/rebate and other economic benefits (especially if these investors are considered to be seed investors), but this would depend on the fund raising activity at the time.

### **23. Are management fee "break-points" offered based on investment size?**

This is a commercial decision between the fund and the investor. Investment size is certainly a consideration. Reduced management fee may be also given on the profile of the investor (e.g. strategic alliances) and to certain "anchor" or early-bird investors.

### **24. Are first loss programs used as a source of capital (i.e., a managed account into which the manager contributes approximately 10-20% of the account balance and the remainder is furnished by the investor)?**

This is sometimes used in hedge funds. Often, an affiliate of the manager will contribute capital as an investor in a

separate share class or in side letters. However, whilst the manager's invested class will absorb the fund's losses first, the return of the investors' invested class is also usually capped while the manager is entitled to a higher than industry normal performance fee to hedge the relevant risks.

## 25. What are the typical terms of a seeding / acceleration program?

Typically, investors in seeding and acceleration programs will offer a budget (e.g. interest-free loan) to small or new managers to finance their working capital needs in return for certain equity ownership. These investors will be given investor protection rights and may also be offered additional rights to participate in the management or material decision-making of the managers. The program usually runs for at least 3-5 years or even in the form of evergreen fund which is open-ended and does not have a fixed term. At certain intervals during the program and/or at the end of the program, investors will have the option to withdraw their equity ownership (or alternatively, there is an option to call back the stake from these investors) and/or have capacity rights to make additional investments.

## 26. What industry trends have recently developed regarding management fees and incentive/performance fees or carried interest? In particular, are there industry norms between primary funds and secondary funds?

Recently, we have seen downward pressure on management fees from the typical 2%. In the meantime certain hedge fund managers are trying to adopt passing through management fees in Hong Kong but it is still uncommon according to our observation.

## 27. What restrictions are there on marketing Alternative Investment Funds?

Marketing of AIFs falls within the scope of Type 1 regulated activity (dealing in securities) under the SFO, hence any entity engaged in Hong Kong to conduct marketing activities must hold a Type 1 licence issued by the SFC, unless otherwise exempt. If the marketing activities are conducted from outside of Hong Kong, a licence would be required if a person "actively markets"<sup>1</sup> to the public of Hong Kong. A Type 9 licence holder is however exempt from obtaining a Type 1 licence for marketing a fund that it manages.

When determining whether a person "actively markets", the SFC has published on their official website to provide explanation as to the interpretation of "actively markets" under section 115 of the SFO. According to such, the SFC will consider the nature of the business activities as a whole and have regard to a number of factors, including (without limitation) the following:

- whether there is a detailed marketing plan to promote the services;
- whether the services are extensively advertised via marketing means such as direct mailing, advertisements in local newspapers, broadcasting or other "push" technology over the Internet (as opposed to where the services are passively available e.g. on a "take it or leave it" basis);
- whether the related marketing is conducted in a concerted manner and executed in accordance with a plan or a schedule which indicates a continuing service rather than an one-off exercise;
- whether the services are packaged to target the public of Hong Kong, e.g. written in Chinese and denominated in Hong Kong dollars; and
- whether the services are sought out by the customers on their own initiative.

Separately, fund marketing materials may also need to be authorized by the SFC, unless an exemption applies. As is typically the case for AIFs, offering to professional investors in Hong Kong is one such exemption and, if the fund is able to operate within this exemption, authorization from the SFC is not normally required. See question 31 below for other exemptions.

## 28. Is the concept of "pre-marketing" (or equivalent) recognised in your jurisdiction? If so, how has it been defined (by law and/or practice)?

"Pre-marketing" is not defined or recognised as a concept under Hong Kong law. However, for unlicensed persons or entities, to err on the side of caution, such marketing efforts should be based on general branding or investment strategies only, and not reference any specific "securities" or the services that will be provided. Particular attention should be paid to the filing requirement of offering documents of private OFCs and no draft PPM of the umbrella fund or supplement of sub-fund should be provided to any potential investors until the draft documents are filed with the SFC.

## 29. Can Alternative Investment Funds be marketed to retail investors?

Yes, provided that the manager's license does not include an imposed condition forbids it to do so and the AIFs and the marketing materials are authorized by the SFC; however, this is not common.

### **30. Does your jurisdiction have a particular form of Alternative Investment Fund be that can be marketed to retail investors (e.g. a Long-Term Investment Fund or Non-UCITS Retail Scheme)?**

In Hong Kong, AIFs must be in the form of a public OFC, unit trust or mutual fund in order for the SFC to authorise such AIFs and approve the marketing materials for distribution to retail investors.

### **31. What are the minimum investor qualification requirements for an Alternative Investment Fund? Does this vary by asset class (e.g. hedge vs. private equity)?**

Generally, private AIFs are distributed in Hong Kong on the basis that they are exempted from authorization from the SFC or otherwise distributed in a way not to any class of the public in Hong Kong. The exemptions that are commonly relied upon (which depends on the legal structure of the AIF, and does not vary by asset class) include:

- offerings to "professional investors" only, which is defined in the SFO to include recognized exchange companies and clearing houses, regulated investment business professionals, regulated banks, regulated insurers, authorized collective investment schemes, pension schemes, governments (other than municipal government authorities), central banks and multilateral agencies, substantial trusts meeting a HK\$40 million minimum asset requirement and high net worth individuals or businesses meeting a HK\$8 million minimum investment portfolio or a HK\$40 million minimum asset requirement;
- in relation to a corporate AIF, offerings to 50 persons or less, whereby two or more offers in relation to the same class of shares or debentures may be taken as one if (i) the offers were made by the same person and (ii) the offers were made within a 12-month period;
- in relation to a corporate AIF, offerings of which the total consideration payable does not exceed HK\$500,000; and
- in relation to a corporate AIF, small offerings, of which the maximum subscription amount must be less than HK\$500,000 or that the total maximum offering must be less than HK\$5 million.

### **32. Are there additional restrictions on marketing to government entities or similar investors (e.g. sovereign wealth funds) or pension funds or insurance company investors?**

Governments and institutions that perform functions of a central bank, sovereign wealth funds, mandatory provident funds, occupational retirement schemes and insurers would typically fall within the definition of "professional investor" under the SFO. There are no additional restrictions on marketing to such entities but, unless an exemption applies, marketing should be carried out by an SFC licensed person.

### **33. Are there any restrictions on the use of intermediaries to assist in the fundraising process?**

There are no restrictions on the use of intermediaries to assist in the fundraising process but the intermediary should be licensed to conduct Type 1 regulated activity if it intends to conduct the activities in Hong Kong or if it intends to "actively market" to the public of Hong Kong (see question 27 above). A "finder's fee arrangement" is not unusual in Hong Kong but the SFC tends to take a more stringent and closer look over the finder's activity in assisting in the fundraising process and substance is more important than format. It is crucial to consult with legal and financial professionals to ensure compliance with the SFO when structuring a finder's fee arrangement in Hong Kong.

### **34. Is the use of "side letters" restricted?**

Generally, no. However, fund managers should pay extra attention to whether certain clauses may lead to conflicts of interest or could affect fund managers' obligations under the FMCC, so the terms in the side letters could be managed with care. On the legal effect of side letters in general, normally the directors or the general partner will be authorised to enter into side letters on behalf of the fund.

### **35. Are there any disclosure requirements with respect to side letters?**

It is a common disclosure in the fund's offering documents that side letters may be entered into which may result in preferential treatment for certain investors over others. The SFC also encourages disclosure of material terms to all existing and potential investors and the fact that side letters (where applicable) have been



entered into with certain investors.

The FMCC also states that where a fund manager has granted preferential treatment (e.g. terms in a side letter) to certain investors (particularly in relation to preferential redemption provisions), it should disclose such fact and the material terms to all relevant potential and existing fund investors. This is in line with the recent regulatory changes in other major financial markets such as the SEC Private Funds Rules in US and the EU Alternative Investment Fund Managers Directive.

**36. What are the most common side letter terms? What industry trends have recently developed regarding side letter terms?**

The most common side letter terms we have seen include:

- fee-reduction or waiver provisions;
- limited partner advisory committee (LPAC) seats;
- additional information rights;
- Most Favoured Nation provisions;
- preferential redemption rights especially those concerning redemption in species;
- excuse rights (for PE funds); and
- transfer rights (often among affiliated parties).

The recent trends in side letters mostly revolve around the shifting dynamics between the managers and investors where fundraising becomes more challenging, appeared in more common fee discounts, additional information rights and co-investment rights.

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## Contributors

**Keith (Kai) Yuan**  
Partner, CFN Lawyers

[kaiyuan@cfnlaw.com.hk](mailto:kaiyuan@cfnlaw.com.hk)



**Bowie Fung**  
Founding Partner, CFN Lawyers

[bowie.fung@cfnlaw.com.hk](mailto:bowie.fung@cfnlaw.com.hk)

