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**Notice by the Guangzhou Municipal Local Financial Supervision and Administration Bureau, the State Administration of Foreign Exchange Guangdong Branch, the Guangdong Office of the China Securities Regulatory Commission and the Administrative Commission of Guangzhou Nansha Economic and Technological Development Zone of Issuing the Interim Measures for the Administration of the Pilot Program of Domestic Investment by Qualified Foreign Limited Partners (QFLP) in Guangzhou Nansha New Area of China (Guangdong) Pilot Free Trade Zone**

(No. 1 [2022] of the Guangzhou Municipal Local Financial Supervision and Administration Bureau)

All relevant units:

According to the requirements of the "Implementation Rules for the Pilot Program of Cross-border Trade and Investment High-Level Opening-up Foreign Exchange Management Reform in Guangzhou Nansha New District of China (Guangdong) Pilot Free Trade Zone", the Guangzhou Local Financial Supervision Administration, the Guangdong Branch of the State Administration of Foreign Exchange, and the China Securities Regulatory Commission The Guangdong Supervision Bureau of the Management Committee and the Guangzhou Nansha Economic and Technological Development Zone Management Committee have jointly formulated the "Interim Measures for the Administration of Domestic Investment Pilot Projects of Qualified Foreign Limited Partners (QFLP) in the Guangzhou Nansha New Area of China (Guangdong) Pilot Free Trade Zone", which are hereby issued to you , please follow the implementation.

Guangzhou Local Financial Supervision Administration Guangdong Branch of the State Administration of Foreign Exchange

 Guangdong Supervision Bureau of China Securities Regulatory Commission Guangzhou Nansha Economic and Technological Development Zone Management Committee

 April 12, 2022

Interim Measures for the Administration of Domestic Investment Pilot Projects of Qualified Foreign Limited Partners (QFLPs) in Guangzhou Nansha New Area, China (Guangdong) Pilot Free Trade Zone

Chapter I General Provisions

Article 1 is to implement the "Opinions on Financial Support for the Construction of the Guangdong-Hong Kong-Macao Greater Bay Area" (Yinfa [2020] No. 95), "The State Administration of Foreign Exchange's Requirements for Cross-Border Development in Some Areas including the Lingang New Area of the Shanghai Pilot Free Trade Zone" Policy support documents such as "Notice on High-Level Opening-up of Trade and Investment Pilot Project" (Huifa [2021] No. 35) to promote the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, promote the active introduction and utilization of foreign capital in Guangzhou, and standardize the development of qualified foreign limited partners (QFLP) Domestic investment pilot work, in accordance with the "Regulations of the People's Republic of China on Foreign Exchange Administration", "Opinions of the State Council on Further Improving the Utilization of Foreign Capital" (Guo Fa [2019] No. 23), "Interim Measures for the Supervision and Administration of Private Equity Investment Funds" (Order of the China Securities Regulatory [105]), "Several Provisions on Strengthening the Supervision of Private Equity Investment Funds" (China Securities Regulatory Commission [2020] No. 71), "Guangdong Branch of the State Administration of Foreign Exchange on Issuing the China (Guangdong) Pilot Free Trade Zone Guangzhou Nansha New District Area These Measures are formulated in accordance with the Circular on the Implementation Rules for the Pilot Program of High-Level Open Foreign Exchange Administration Reform for Cross-border Trade and Investment (Yuehuifa [2022] No. 1) and other provisions.

Article 2 China (Guangdong) Pilot Free Trade Zone Guangzhou Nansha New Area Qualified Foreign Limited Partners (QFLP) domestic investment pilot work is supervised by the Guangzhou Local Financial Supervision Bureau, the Guangdong Branch of the State Administration of Foreign Exchange, and the China Securities Regulatory Commission Guangdong The Bureau and the Guangzhou Nansha Economic and Technological Development Zone Management Committee have established a joint working mechanism (hereinafter referred to as the "joint working mechanism"). In accordance with relevant national regulations, all relevant units will coordinate and promote the qualification of overseas limited partnerships in the Guangzhou Nansha New Area of China (Guangdong) Pilot Free Trade Zone. (QFLP) domestic investment pilot work, responsible for identifying the pilot qualifications of enterprises and the scale of overseas funds raised (hereinafter referred to as "QFLP scale"). China (Guangdong) Pilot Free Trade Zone Guangzhou Nansha New Area Qualified Foreign Limited Partners (QFLP) Domestic Investment Pilot Work Window Department (hereinafter referred to as the "Pilot Work Window Department") is located in the Guangzhou Nansha Economic and Technological Development Zone Management Committee, and the specific work is carried out by The Financial Work Bureau of Guangzhou Nansha Economic and Technological Development Zone is in charge.

Article 3 The term "Qualified Foreign Limited Partners" (QFLP, hereinafter referred to as "overseas partners") as mentioned in these Measures refers to overseas natural persons, foreign institutional investors, etc. who participate in the subscription of pilot funds stipulated in these Measures.

The term “pilot fund management enterprises” as mentioned in these Measures refers to the enterprises that have been identified by the Guangzhou Municipal Local Financial Supervision Bureau, initiate the establishment of pilot funds according to regulations, and are entrusted with the management of pilot fund investment business.

The term “pilot funds” as mentioned in these Measures refers to private equity investment funds initiated by pilot fund management companies in pilot areas according to law, with foreign partners participating in the investment establishment, raising funds from investors in a non-public manner and making investments.

The pilot areas referred to in these Measures refer to the Guangzhou Nansha New Area of the China (Guangdong) Pilot Free Trade Zone.

Chapter II Pilot Conditions

Article 4 Pilot fund management enterprises may adopt organizational forms such as corporate system and partnership system. Pilot funds can adopt organizational forms such as corporate system, partnership system or contract system. Pilot fund management companies and pilot funds shall comply with the relevant requirements of the Asset Management Association of China (hereinafter referred to as "AMAC") regarding the registration and filing of private equity investment funds.

Article 5 Fund management companies applying for the pilot program shall, in principle, be registered in Guangzhou. Other urban fund management enterprises that meet the relevant requirements of these Measures and meet the following conditions may be supported as appropriate.

(1) To support the industrial development of the Guangdong-Hong Kong-Macao Greater Bay Area, no less than 50% of the funds raised from overseas in the pilot fund shall be invested in fund management companies in the real industries of the Guangdong-Hong Kong-Macao Greater Bay Area.

(2) Investment institutions that have been selected into the world-renowned asset management lists such as Morningstar Ratings, Standard & Poor's, and Thomson Reuters Asia-Pacific surveys in the past 3 years; The top 50 investment institutions on the list; or subsidiaries of banks, securities, insurance, trust, financial leasing, public fund management companies and other licensed financial institutions approved by the national financial regulatory department that are directly or indirectly the controlling shareholder; or A subsidiary of a central enterprise, provincial people's government (or State-owned Assets Supervision and Administration Commission) directly or indirectly as the controlling shareholder.

Article 6 Domestic and foreign investors of pilot funds shall comply with the "Interim Measures for the Supervision and Administration of Private Equity Investment Funds" and the "Regulations on Regulating the Assets of Financial Institutions" issued by the People's Bank of China, the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange. The requirements for qualified investors stipulated in the Guiding Opinions on Business Management (Yinfa [2018] No. 106).

Chapter III Pilot Operation

Article 7 For a pilot fund initiated and established by a pilot fund management enterprise, the overseas funds raised by it may be used for the following expenditures within the territory of China:

(1) Equity of non-listed companies;

(2) Non-public issuance and trading of ordinary shares (including block transactions, negotiated transfers, etc.), preferred shares and convertible bonds that can be converted into ordinary shares by listed companies can participate in allotment of shares as original shareholders of listed companies. If it constitutes a strategic investment in a domestic listed company, it shall comply with the relevant provisions of the "Measures for the Administration of Strategic Investment in Listed Companies by Foreign Investors";

(3) Other businesses permitted by laws and regulations.

If the China Securities Regulatory Commission, the China Fund Industry Association and other relevant departments have other restrictive regulations on the scope of investment, such regulations should be followed.

Article 8 Pilot fund management enterprises and pilot funds shall abide by the laws, regulations and other relevant provisions of the state on foreign investment. Investment in areas prohibited by the negative list for foreign investment access in the pilot free trade zone shall not be invested; investment in areas restricted by the negative list for foreign investment access in the pilot free trade zone shall meet the conditions stipulated in the negative list; foreign investment in the pilot free trade zone Access to fields outside the negative list shall be managed in accordance with the principle of consistency between domestic and foreign capital.

Pilot funds shall not directly or indirectly invest in real estate and local government financing platforms.

Article 9 Pilot funds raising overseas funds shall comply with the relevant regulations of the regulatory authorities where foreign investors are located, and pilot funds shall abide by the relevant regulations of the China Securities Regulatory Commission and the China Asset Management Association when raising domestic funds.

Article 10 Pilot funds shall handle foreign exchange registration, account opening, fund remittance, information submission and other matters in accordance with relevant foreign exchange management regulations.

Chapter IV Pilot Application

Article 11 To apply for the establishment of a pilot fund, the pilot fund management enterprise shall apply to the pilot work window department on working days, and the pilot work window department shall receive the materials. The pilot work window department shall give feedback on the acceptance of the materials within 10 working days from the date of receipt of the materials submitted by the enterprise, and promptly report to the Guangzhou Local Financial Supervision Bureau for confirmation.

Article 12 The joint working mechanism shall comprehensively consider the management team, investment experience, and project reserves of pilot fund management companies, and give prudent opinions on the pilot in accordance with the "Interim Measures for the Supervision and Administration of Private Equity Investment Funds" and other provisions. If it is found to meet the requirements, the Guangzhou Municipal Local Financial Supervision Bureau will issue relevant documents.

Article 13 Foreign-invested equity investment management enterprises and foreign-invested equity investment enterprises that have been registered and established before the implementation of these measures may report to the joint working mechanism for the identification of pilot qualifications and QFLP scale in accordance with these measures.

Chapter V Foreign Exchange Registration Management

Article 14 After a pilot fund management enterprise obtains the pilot qualification and QFLP scale, it shall apply to the foreign exchange administration for QFLP scale at the place of registration. Pilot fund management enterprises shall submit the following materials for QFLP-scale foreign exchange registration:

(1) Written application, the main contents of which include but are not limited to: the basic situation of the pilot fund management company, the basic situation of the pilot fund to be established, the fund raising and investment plan, the situation of the custodian to be hired, etc.;

(2) Relevant documents issued by the Guangzhou Local Financial Supervision Bureau on the qualifications for the pilot program and the scale of QFLP;

(3) Those who should go to the China Fund Management Association for registration and filing according to the current regulations, need to provide the registration information of the pilot fund management enterprise, the filing information of the pilot fund (can be supplemented afterwards), etc.

Article 15 A pilot fund management enterprise shall initiate the establishment of one or more pilot funds after obtaining the QFLP scale. Unless otherwise specified, pilot fund management companies can flexibly adjust the scale of overseas funds raised by a single fund (that is, the QFLP scale of a single fund) among pilot funds. The scale of QFLP of the enterprises managed by the pilot fund.

Article 16 The QFLP scale implements balance management. The sum of the net remittances (excluding dividends, bonuses, profits, taxes and other current account revenues and expenses) of all overseas partners of pilot funds initiated and established by a pilot fund management company shall not exceed the QFLP scale obtained by the pilot fund management company (due to the exchange rate Except for reasonable reasons such as changes).

Article 17 Where the QFLP scale of a pilot fund management enterprise obtained through the joint working mechanism changes, the pilot fund management enterprise shall apply to the foreign exchange administration at the place of registration for foreign exchange registration of the QFLP scale change. For the registration of foreign exchange changes in QFLP scale, refer to Article 14 of these Measures to submit materials.

Article 18 After the pilot fund management enterprise withdraws from the QFLP pilot business, the pilot fund management enterprise shall apply to the foreign exchange administration at the place of registration for the deregistration of the QFLP scale.

Chapter VI Fund Exchange Management

Article 19 Pilot fund management enterprises shall entrust domestic financial institutions with fund custody qualifications as custodians of pilot funds, and monitor the use of funds in real time as an independent third party.

Article 20 After the pilot fund management enterprise completes the QFLP-scale foreign exchange registration procedures, the pilot fund may open a special QFLP account (that is, a capital account, the account code is 2102) at the bank with the QFLP-scale foreign exchange registration business certificate of the pilot fund management enterprise to which it belongs. The QFLP special account can be used as a special account for custodian funds, which is used to deposit the capital contributions remitted or transferred in from overseas by overseas partners. Both the remittance and inflow of funds must be completed through the special account for custody funds.

The income scope of the QFLP special account includes: investment funds remitted from abroad or transferred in by overseas partners from abroad; funds transferred from the fundraising account; other income approved by the foreign exchange administration.

The scope of expenditures in the QFLP special account is: external payment of investment income, investment principal related to fund redemption, and other business-related current account expenditures (such as taxes and fees); foreign exchange settlement or direct transfer to the fundraising account; expenditure.

Article 21 Banks may directly handle cross-border receipts and payments for pilot funds before liquidation on the strength of the statement on the source and use of funds and the tax commitment letter issued by the pilot fund management company (no need to provide tax payment certification materials).

Article 22 On the premise of truthfully declaring the use of funds, pilot funds can directly handle foreign exchange settlement at banks.

Article 23 In the event of liquidation of pilot funds due to cancellation, bankruptcy, absorption and merger, etc., the pilot funds may directly go through the relevant formalities for purchase and payment of foreign exchange and remittance of funds at the bank based on the following materials:

(1) Tax payment certification materials;

(2) Materials proving the authenticity of transactions related to fund liquidation and remittance of liquidation funds.

Chapter VII Information Reporting and Supervision and Management

Article 24 Subjects such as pilot funds shall fulfill the obligation to declare the balance of payments in accordance with relevant regulations.

Article 25 The member units of the joint working mechanism are responsible for the supervision and management of pilot fund management enterprises and pilot funds according to their respective responsibilities, give full play to the role of financial risk monitoring and prevention and control platforms, make full use of regulatory technology, strengthen supervision during and after events, and strengthen the operation of pilot projects Statistics, monitoring and analysis, and strengthen the whole-process management of abnormal violation risks. At the same time, the pilot commercial entities will be included in the scope of supervision in a timely manner to strengthen supervision, and do a good job in data security and confidentiality.

Article 26 Pilot fund management enterprises and pilot funds shall use the QFLP scale in a timely manner after they have been identified by the joint working mechanism.

Article 27 If a pilot fund management enterprise has any of the following major changes, it shall report to the Guangdong branch of the State Administration of Foreign Exchange, the local foreign exchange administration, Guangzhou Local Financial Supervision Bureau, and the pilot work window department:

(1) Increase or decrease of registered capital;

(2) Company merger, division or change of company form;

(3) Revising important documents such as contracts, articles of association or partnership agreements;

(4) Changes in senior management personnel and major investment management personnel;

(5) Dissolution or liquidation.

Article 28 The pilot fund custodian shall, within 10 working days after the end of each quarter, report to the Guangdong Branch of the State Administration of Foreign Exchange and the local foreign exchange administration, Guangzhou Local Financial Supervision Bureau, and the pilot work window department in the form of a report Pilot fund remittance, remittance, foreign exchange settlement and sales and other relevant data (see Attachment 1 for the content and requirements of data submission).

Article 29 The pilot fund custodian shall conduct due diligence and post-supervision on the pilot business in accordance with the provisions of laws and regulations, as well as the provisions of the fund contract and the fund custody agreement. Custodians shall promptly report major matters related to the asset custody of pilot funds and operational compliance matters of pilot fund management enterprises to their pilot work window departments.

Article 30 Pilot fund management enterprises must provide quarterly and annual statements and reports to the Guangdong branch of the State Administration of Foreign Exchange, the local foreign exchange administration, Guangzhou Local Financial Supervision Bureau, and the pilot work window department. Quarterly statements (submitted within 10 working days after the end of each quarter) include but are not limited to subscription and paid-in scale, investor information (sources of funds raised overseas), investment types, capital investment, exit status, fund net value and funds Inward and outward remittances, foreign exchange purchases and settlements, changes in account funds, etc. (see Attachments 2 and 3 for data submission content and requirements); annual statements and reports (submitted within 20 working days after the end of each natural year) include but not It is limited to the operation and management of the pilot fund in the previous year, the inward and outward remittance of funds, the settlement and sale of foreign exchange, the report on domestic investment, changes in major events, audit reports, etc.

Article 31 Where the pilot fund management enterprises and custodians fail to handle business in accordance with these Measures and relevant management regulations, and the circumstances are minor and cause no serious consequences, the local foreign exchange administration, together with the Guangzhou Municipal Local Financial Supervision Bureau and other relevant foreign exchange administrations, shall Relevant subjects conduct interviews and ask them to make corrections in a timely manner; if the circumstances are serious, the local foreign exchange administration, together with the Guangzhou Municipal Local Financial Supervision Bureau and other relevant foreign exchange administrations, suspends the pilot business and transfers it to the foreign exchange inspection department for investigation; if a crime is constituted, it shall be prosecuted according to law criminal responsibility.

Chapter VIII Supplementary Provisions

Article 32 These Measures shall come into force on the date of issuance and shall be valid for 3 years.

Article 33 Investors from the Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan region participating in the pilot fund as limited partners shall be deemed as overseas partners.