

Guide on Preparation of Fulfillment Documents in Demonstrating the Applicant/Entrant's Fulfillment of Net Asset Requirement, Investment Requirements and Portfolio Maintenance Requirements under the New Capital Investment Entrant Scheme

A. Introduction

1. This guide is intended to be used as reference for Certified Public Accountants (Practising) as defined in the Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong) ("CPAs (Practising)"), when they are engaged to issue reports ("Fulfillment documents") in demonstrating the applicant/entrant's fulfillment of the net asset requirement, investment requirements and portfolio maintenance requirements under the New Capital Investment Entrant Scheme (the "New CIES"/the "Scheme").
2. For details of the Scheme, please refer to the Rules for the New Capital Investment Entrant Scheme (the "Scheme Rules").
3. In accordance with the Scheme Rules, an applicant/entrant has to fulfill, among others, the net asset requirement, investment requirements and portfolio maintenance requirements, of which the details are set out in the following table:

	Details of the requirement
Net asset requirement	The applicant must have net assets or net equity (including the respective portion of jointly-owned assets or equity with the applicant's family member(s) which is absolutely beneficially entitled to the applicant as mentioned in paragraph 1.15 of the Scheme Rules) to which he is absolutely beneficially entitled with a market value of not less than HK\$30 million net (or equivalent in foreign currencies) throughout the six months preceding the date he lodged his application for net asset assessment which is set out in paragraph 2.1(c) of the Scheme Rules.
Investment requirements	The applicant must invest not less than HK\$30 million net (or equivalent in foreign currencies) ¹ in permissible investment assets ² to which he is absolutely beneficially entitled on or after the launch date of the Scheme. For details, please refer to paragraph 2.1(d) of the Scheme Rules.
Portfolio maintenance requirements	After making the committed investment, the applicant/entrant must comply with the criteria under the Scheme throughout the period of permission to stay in Hong Kong. For details, please refer to paragraph 6 of the Scheme Rules.

4. The applicant/entrant is required to engage a CPA (Practising) at his own cost to issue the Fulfillment documents in demonstrating his fulfillment of the net asset requirement, investment requirements and portfolio maintenance requirements respectively. Regarding the net asset requirement and investment requirements, after submitting the online applications, the applicant needs to submit the Fulfillment documents and all relevant supporting documents stated therein to New CIES Office. As regards the portfolio maintenance requirements anniversary submission, the applicant/entrant needs to provide the Fulfillment document (including only the portfolio maintenance requirements

¹ The investment amount is exclusive of all dealing charges, commission and stamp duty.

² For the list of the permissible investment assets, please refer to paragraph 5 of the Scheme Rules.

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anniversary statement and the document proof of sale/acquisition of real estate) to New CIES Office.

5. An agreed-upon procedures engagement conducted in accordance with Hong Kong Standard on Related Services 4400 (Revised), "Agreed-Upon Procedures Engagements" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") would generally be suitable for preparation of the Fulfillment documents in demonstrating the applicant's fulfillment of the net asset requirement, investment requirements and portfolio maintenance requirements. For the purposes of the agreed-upon procedures engagement, the CPA (Practising) shall also comply with the relevant requirements of the HKICPA's "Code of Ethics for Professional Accountants" and the independence requirements applicable to audits of financial statements.

B. Responsibilities of the applicant/entrant and the CPA (Practising)

6. The responsibilities of the applicant/entrant and the CPA (Practising) during the course of preparation of the Fulfillment documents in demonstrating the applicant/entrant's fulfillment of the net asset requirement, investment requirements and portfolio maintenance requirements are set out in the following table:

	Responsibilities of applicant/entrant	Responsibilities of CPA (Practising)
Net asset requirement	<ul style="list-style-type: none"> • Provide a net assets statement showing information of the assets or equity he owned and liabilities on the assets or equity • Provide proof³ on the assets or equity he owned and the liabilities on the assets or equity • For assets not traded on a public exchange, provide a written valuation report⁴ from a valuer acceptable to the CPA (Practising) • No more than 14 calendar days may elapse between the date of issuance of the Fulfillment document and the date the applicant lodged his application for net asset assessment 	<ul style="list-style-type: none"> • Obtain sufficient and appropriate evidence of the applicant on the assets or equity holding at minimum two points of time of the specified six-month period (i.e. the start and the end dates of the specified six-month period) • Agree the ownership and market value of assets or equity as stated on the net assets statement against the supporting documents as provided by the applicant • Agree the amount of liabilities on the assets or equity as stated on the net assets statement against the supporting documents as provided by the applicant • Issue an agreed-upon procedures report

³ Originals/photocopies certified true by the applicant.

⁴ In general, a valuation report contains the following information: date of valuation, essential information about the asset (which may include description and condition of the asset), basis of/approach to valuation, recent transaction data for comparable pieces/ items; and relevant photos, etc. The report will then arrive at a valuation of the asset, based on the foregoing information. The information of the valuer such as professional qualifications and experience should usually be attached to the valuation report.

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	Responsibilities of applicant/entrant	Responsibilities of CPA (Practising)
Investment requirements	<ul style="list-style-type: none"> • Provide a permissible investment assets statement showing information of the permissible investment assets he invested, including the transaction price and amount of mortgage on the real estate • Provide proof⁵ on the permissible investment assets he invested and the transaction price, the date of completion of purchase and the amount of mortgage on the real estate • For the applicant using “Holding Company” as defined in paragraph 1.11 of the Scheme Rules to hold the permissible investment assets he invested, provide proof⁵ to demonstrate the fulfillment of all the conditions of “Holding Company” as defined in paragraph 1.11 of the Scheme Rules • No more than 14 calendar days may elapse between the date of issuance of the Fulfillment document and the date the applicant lodged his application for assessment on investment requirements 	<ul style="list-style-type: none"> • Agree the ownership and amount invested in the assets⁵ as stated on the permissible investment assets statement against the supporting documents as provided by the applicant • Agree that the assets invested are permissible investment assets as specified in the Scheme Rules • Check the caps counted towards the fulfillment of minimum investment threshold of the Scheme for investments in relation to certificates of deposits, private open-ended fund companies, ownership interest in private limited partnership funds and real estate when agreeing the amount invested in the permissible investment assets • Issue an agreed-upon procedures report
Portfolio maintenance requirements (Anniversary Submission)	<p>1. Documents to be provided to CPA (Practising):</p> <ul style="list-style-type: none"> • A portfolio maintenance requirements anniversary statement showing information of the permissible investment assets he invested with proofs³, including the quantity and value of permissible investment assets, the transaction price and the amount of mortgage and surplus equity for real estate as at the start and end dates of the relevant anniversary 	<ul style="list-style-type: none"> • Obtain sufficient and appropriate evidence of the applicant/entrant on the assets as at the start and the end dates of the anniversary period⁶ as well as all changes/transaction details during the anniversary period⁶ as stated in the portfolio maintenance requirements anniversary statement • Agree the ownership and purchase/sale value of the assets⁵ (including all the calculations) as stated on the portfolio maintenance requirements

⁵ The amount invested in the non-residential and/or residential real estate (where the transaction price of the latter must be HK\$50 million or above) counted towards the fulfillment of minimum investment threshold of the Scheme is the value at time of purchase minus the amount of mortgage, subject to an aggregate cap of HK\$10 million.

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	Responsibilities of applicant/entrant	Responsibilities of CPA (Practising)
	<p>period⁶, as well as the details of all changes/transactions during the anniversary period⁶</p> <ul style="list-style-type: none"> For the applicant using "Holding Company" as defined in paragraph 1.11 of the Scheme Rules to hold the permissible investment assets he invested, provide proof³ to demonstrate the fulfillment of all the conditions of "Holding Company" as defined in paragraph 1.11 of the Scheme Rules <p>2. Documents to be submitted to New CIES Office:</p> <ul style="list-style-type: none"> Within one month after the first anniversary of the grant of Formal Approval and after each subsequent anniversary, submit a Fulfillment document (including only the portfolio maintenance requirements anniversary statement and document proof of sale/acquisition of real estate) <p>There is no need to attach other document proofs (such as statements from financial intermediary(ies), documents to demonstrate fulfillment of all the conditions of "Holding Company", etc.) to the Fulfillment document. The applicant/entrant is required to keep such documents until he is free to dispose of all the Permissible investment assets upon completion of the Scheme, and New CIES Office may request for these documents for review depending on the situation</p>	<p>anniversary statement against the supporting documents as provided by the applicant/entrant</p> <ul style="list-style-type: none"> Agree that the assets invested are permissible investment assets as specified in the Scheme Rules Check the caps counted towards the fulfillment of minimum investment threshold of the Scheme for investments in relation to certificates of deposits, private open-ended fund companies, ownership interest in private limited partnership funds and real estate when agreeing on the amount invested in the permissible investment assets Issue an agreed-upon procedures report

⁶ "Anniversary period" refers to the one-year period starting from a specific date. For example, if the start date of the anniversary period is 1 January 2025, the end date of the anniversary period is 31 December 2025. For the first anniversary period, the start date is the date of Formal Approval granted by Immigration Department. For each subsequent anniversary period, the start date is the day and month as the date of Formal Approval, but in the year corresponding to the relevant anniversary.