



# **AIMA APAC Webinar: The Great Debate – Volume I**

**13 December 2019**

**Panellists:**

**Kher Sheng Lee**, Managing Director, Co-Head of APAC and Deputy Global Head of Government Affairs, AIMA

**Elliott Shadforth**, Partner and Asia-Pacific Wealth & Asset Management Sector Leader, EY

**Cindy Shek**, Partner, Hong Kong, King & Wood Mallesons

**Halley Caldwell**, APAC Head of Prime Brokerage Business Consulting, Morgan Stanley

**Jek-Aun Long**, Partner, Singapore Office Head, Simmons & Simmons JWS

**Alice Molan**, Partner, Walkers

**Thomas Granger**, Partner, Walkers

**Moderator:**

**James Gaden**, Partner, Walkers

**AIMA**

THE ALTERNATIVE INVESTMENT  
MANAGEMENT ASSOCIATION

# Kher Sheng Lee

## Managing Director and Co-Head of APAC and Deputy Global Head of Government Affairs, AIMA

The AIMA logo consists of the letters "AIMA" in a white, sans-serif font, centered within a dark blue square. Below the square is a horizontal bar in a magenta color.

Mr. Lee is Managing Director, Co-Head of APAC and Deputy Global Head of Government Affairs with AIMA.

In his role, he works closely together with Michael Bugel (his Co-Head of APAC) to shape and deliver AIMA's strategy for the APAC region. In addition, he leads AIMA's policy and regulatory initiatives in the region and also operates as a senior ambassador for AIMA and the industry it represents. He is commended by the Financial Times in the FT Asia-Pacific Innovative Lawyers 2015 (only in-house counsel flying solo to be recognised and win a place in the rankings) where the FT noted he "has played an important role developing asset management standards in Hong Kong". He is named to the Corporate Counsel 100: Asia Pacific 2014 by the global legal rankings publication Legal 500 which identifies "an array of the most influential and innovative in-house lawyers in Asia".

Mr. Lee received his LL.B (Hons) degree from the National University of Singapore law school, and is admitted to practise law in Singapore (Advocate & Solicitor), Hong Kong (Solicitor) and England & Wales (Solicitor-Advocate with full rights of audience in all criminal and civil proceedings in the higher courts). He is appointed a Hong Kong Notary Public by the Chief Judge of the High Court of Hong Kong. He is also a Member of The Chartered Institute of Arbitrators (MCIArb). Kher Sheng has lived and worked in Singapore, London and Hong Kong. He is a CFA and CAIA charter holder.

# Elliott Shadforth

## Partner and Asia-Pacific Wealth & Asset Management Sector Leader, EY

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Elliott is a Partner with EY based in Hong Kong and has been with EY for over 20 years focusing on providing services to the Wealth and Asset Management industry. He previously worked for EY in Australia and the United States.

Elliott brings a high level of experience and industry knowledge from serving major financial institutions and investment funds in audit, internal control reviews, transaction support and advisory roles. Elliott has experience across a broad spectrum of asset classes including private equity, real estate and infrastructure. Elliott currently works with both listed and unlisted entities including a number of boutique investment managers and their funds.

Elliott is a member of the Australian Institute of Chartered Accountants (ICAA) and Hong Kong Institute of Certified Public Accountants (HKICPA). He is also Registered Company Auditor with the Australian Securities and Investments Commission (ASIC). Elliott is a member of the Alternative Investment Management Association (AIMA) Hong Kong Education Committee having previously served on the Regulatory & Compliance Committee.

# Cindy Shek

## Partner, Hong Kong, King & Wood Mallesons

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Cindy is a Partner in the Corporate & Securities group of King & Wood Mallesons in Hong Kong, where she specialises in all aspects of funds management, including both retail and private funds establishment, fund registrations (with both the SFC and the MPFA), ongoing compliance, regulatory and licensing issues.

Cindy is experienced in a diverse range of investment funds, including ETFs, SFC authorised funds, approved pooled investment funds, private equity funds, property funds, cross-border funds, SPCs and hedge funds. Cindy also has experience in IPOs and advises on general corporate matters.

Cindy has acted for numerous global, local and PRC-owned asset management houses, and was previously seconded to a global ETF fund house as acting Head of Legal, Asia (ex-Japan). She was named in ALB's "40 under 40" list in 2019, which profiles 40 most accomplished lawyers in Asia under 40 years of age

Cindy is qualified in Hong Kong and Australia and speaks fluent English, Cantonese and conversational Mandarin. She is a member of the regulatory committee of the Hong Kong Investment Funds Association and Committee Member of the Asia Pacific Chapter of Women in ETFs.

# Halley Caldwell, Asia-Pacific Head of Prime Brokerage Business Consulting, Morgan Stanley

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Morgan Stanley

Halley Caldwell is Asia-Pacific Head of Prime Brokerage Business Consulting, Morgan Stanley.

Halley joined Morgan Stanley in September 2016 where she is responsible for hedge fund consulting across Hong Kong, Singapore, Japan and Australia. She was previously the Chief Operating Officer and Chief Compliance Officer of Sylebra HK Company Limited from 2011 through 2015. Before helping launch Sylebra, Halley worked at Coatue Management in New York where she was responsible for opening Coatue's Shanghai office in 2010.

Halley focuses on all aspects of fund manager operational best practices, including regulatory and compliance considerations, governance, fund administration and service provider engagements, HR and staff retention.

# Long Jek Aun

## Partner, Simmons & Simmons JWS

The AIMA logo consists of the letters 'AIMA' in a white, sans-serif font, centered within a dark blue square. A horizontal magenta bar is positioned directly below the dark blue square.

Long Jek Aun is Singapore Office Head and also head of Simmons & Simmons JWS' investment funds practice in Singapore.

He has a wealth of experience in private and retail funds, including private equity, venture capital, real estate, infrastructure and hedge funds as well as mutual funds and ETFs.

His experience includes acting for domestic and international clients on the structuring, establishment, registration and marketing of onshore and offshore funds investing in a spectrum of asset classes, and advising on licensing, regulatory and securities laws issues. He also advises corporate and institutional clients, university endowments, tertiary institutions and sovereign wealth funds in connection with their investments in funds, and assists fund managers with the establishment of their operations in Singapore.

Jek Aun commenced his legal practice career in Singapore's asset management and investment funds sector in 1998.

# Alice Molan

## Partner, Walkers

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Alice Molan is a partner in the Regulatory & Risk Advisory Group of Walkers' Hong Kong office.

Alice is experienced in advising clients on licensing and prudential matters, anti-money laundering and counter-terrorist financing obligations, sanctions controls and information sharing arrangements. She assists clients to understand the application of regulatory obligations to their business and respond accordingly. This includes through the development of internal controls, review of transactional documents and the preparation of client facing material.

Alice has extensive experience engaging with regulators on both an ongoing basis as well as assisting clients to respond to regulatory investigations. Alice has a particular interest in financial technology and assisting clients meet their regulatory obligations in the context of emerging technology and new product offerings. Alice also assists clients understand applicable regulatory requirements in offering insurance and insurance brokerage services, including licensing implications and disclosure obligations.

# Thomas Granger

## Partner, Walkers

AIMA



Thomas Granger is a partner in the Investment Funds Group in Walkers' Singapore office. Thomas specialises in corporate work with an emphasis on investment funds and private equity.

Thomas has extensive knowledge of the hedge funds and private equity market in Japan and in particular advises clients on public and private offerings in Japan.

Thomas advises investment managers, investment banks, private equity funds and corporates on private equity investment, fund formation and general corporate matters. He has extensive experience with the structuring, formation and placement of investment funds, such as hedge funds, private equity funds and infrastructure funds, for Australian, Indonesian, Japanese and other Asia-Pacific clients.



# James Gaden

## Partner, Walkers

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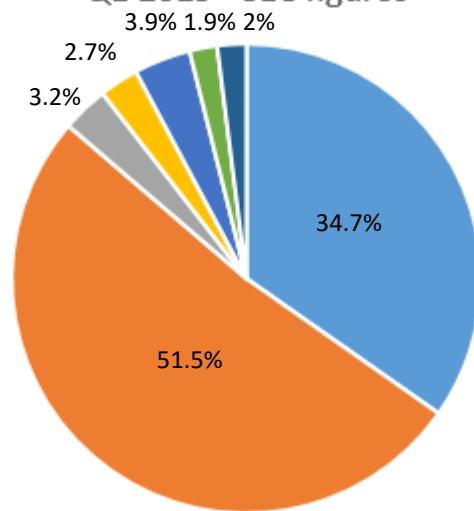
The logo for AIMA (Association of Investment Managers in Asia) is located in the top right corner. It consists of a dark blue square with the letters "AIMA" in white, and a magenta horizontal bar at the bottom.

James Gaden is a Partner in the Global Corporate and Investment Funds Groups of Walkers' Hong Kong office. He has over 15 years of experience advising the investment funds industry. He specialises in advising private equity and hedge fund managers on a broad spectrum of legal issues including fund formation and structuring, acquisitions and disposals, fund restructuring and fund financing.

In addition, James has an active corporate practice which includes providing general corporate advice on corporate governance, mergers and acquisitions and joint ventures. He also advises companies, LLCs, partnerships and their investors in relation to a variety of different financing transactions. James advises clients from across the region including in Hong Kong, China, Japan, Korea, Singapore and Australia. James is a respected practitioner in the investment funds industry and is a regular speaker at industry events.

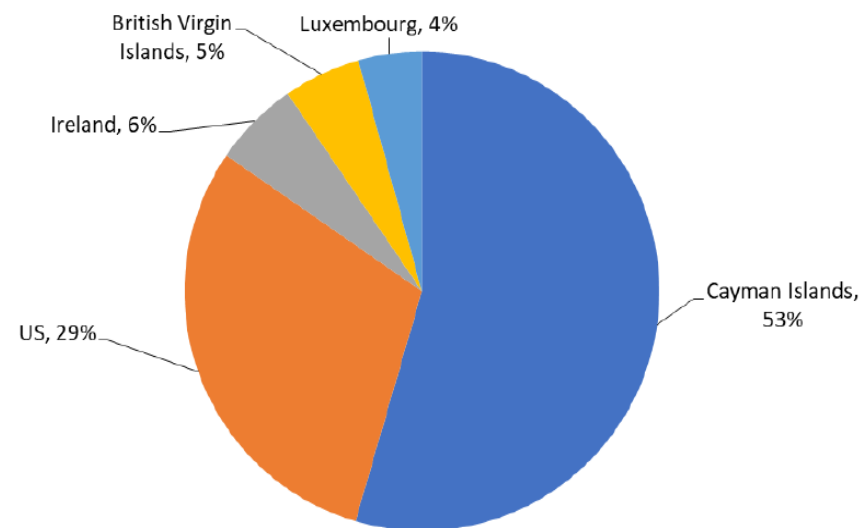
# Current Global Funds Snapshot

Hedge Fund Domicile by NAV  
Q1 2019 - SEC figures



■ USA ■ Cayman Islands ■ Ireland ■ Luxembourg ■ BVI ■ Bermuda ■ Oth

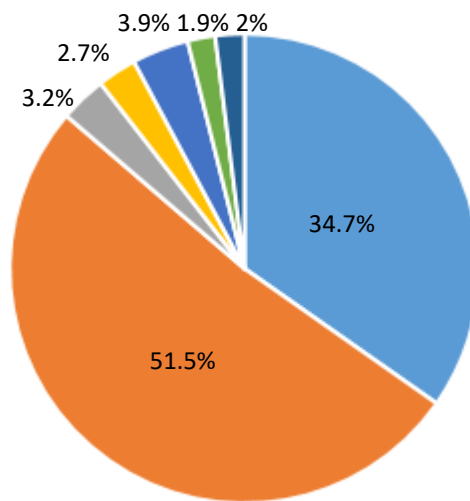
Report on the Fourth IOSO Hedge Funds  
Survey 2017



# Current Global Funds Snapshot

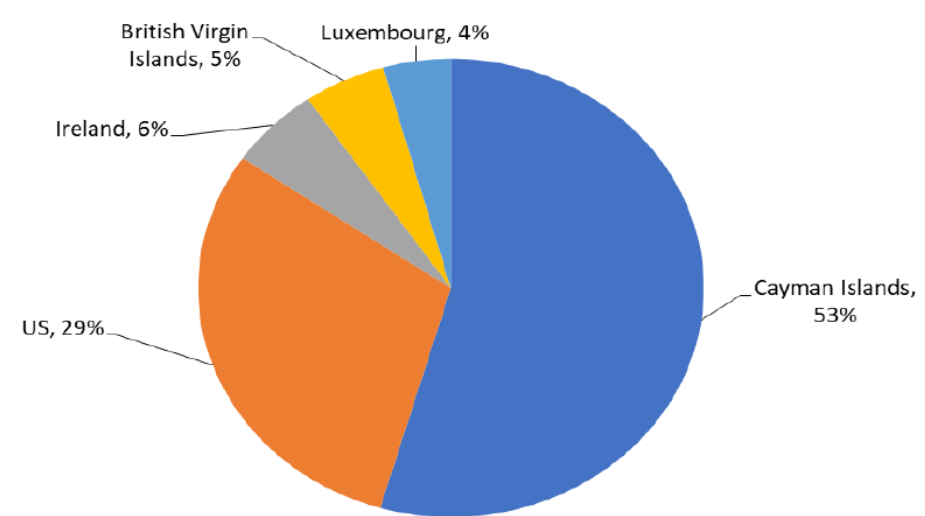


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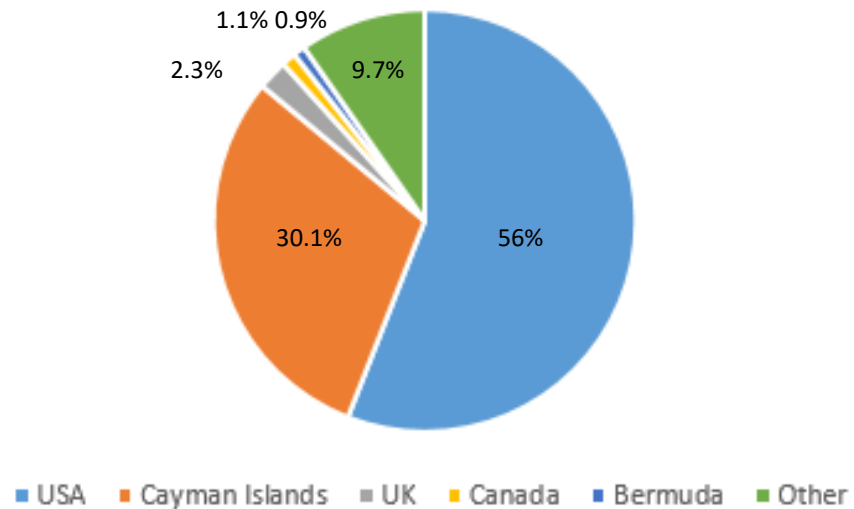
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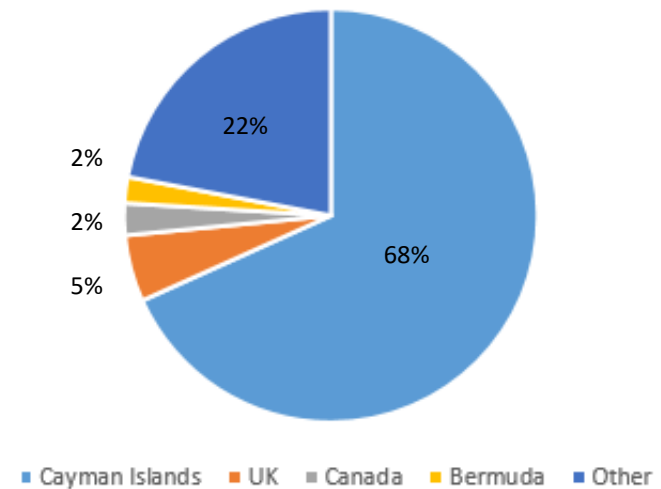
# Current Global PE Fund Snapshot



PE Fund Domicile by NAV  
Q1 2019 - SEC Figures



PE Fund Domicile by NAV  
Q1 2019 - ex US



# OFC, VCC and Cayman Company

	OFC (HK)	VCC (SG)	Cayman
Useable for PE Funds?	<input checked="" type="checkbox"/> (If >90% securities)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Useable for Hedge Fund?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Separate legal entity?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Segregation of assets and liabilities?	<input checked="" type="checkbox"/> (If umbrella OFC)	<input checked="" type="checkbox"/> (If umbrella VCC)	<input checked="" type="checkbox"/> If SPC
Government authority to register with	SFC & CR	ACRA	ROC
Regulator	SFC	ACRA & MAS (for AML)	CIMA (if open ended and not exempt)
"Approved" or "Registered"?	Registered*	Registered	Registered

*\*Applicable to Private OFCs only. To the extent the OFC will be offered to the public, it would require SFC's authorisation and approval.*

# OFC, VCC and Cayman Company

	OFC (HK)	VCC (SG)	Cayman
Time to incorporate (days)	< 30*	TBD	1
Time to get regulatory registration /approval	< 4 weeks**	NA	<4 weeks
Registers of directors public?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	on site
Register of members public?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amendments require approval/filing?	Mostly no	<input type="checkbox"/>	<input type="checkbox"/>
Restrictions on investment scope?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director fitness requirements?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

\* One stop shop application for CR incorporation together with SFC registration.

\*\*Applicable to Private OFCs only. Public OFCs (and all public funds in Hong Kong in general) may require 1-3 months to obtain SFC's authorisation and approval.

# OFC, VCC and Cayman Company

	OFC (HK)	VCC (SG)	Cayman
Licensed manager required?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Custodian required?	<input checked="" type="checkbox"/>	Depends	<input checked="" type="checkbox"/>

# Economic substance scope

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Only in scope if:



Investment funds – out of scope  
General Partners of funds – out of scope



# Requirements for tax exemption

OFC (HK)	VCC (SG)
Must be a "fund"	MAS approval required for fund
Transactions must be carried out in HK by an SFC licensed " <b>specified person</b> " or the fund must be a be " <b>qualifying fund</b> " (>4 investors contributing >90% of capital, distributions to originator <30%)	Must be managed or advised by fund manager holding a Capital Markets Services License, cannot be unregulated / "exempt" or foreign licensed fund manager
Exempts from tax: <ul style="list-style-type: none"> <li>- transactions in "<b>qualifying assets</b>"; and</li> <li>- "<b>incidental transactions</b>" (5% max)</li> </ul>	Minimum business spending requirement (S\$200,000)
Profits from certain private companies taxable in some cases	Size requirement? Depending if 13R or 13X (S\$50m min.)
No "tainting" of assets	SG Fund administrator required



# Contact

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## **Kher Sheng Lee**

Managing Director and Co-Head APAC and Deputy global Head of Government Affairs, AIMA  
E [kslee@aima.org](mailto:kslee@aima.org)

## **Elliott Shadforth**

Partner and Asia-Pacific Wealth & Asset Management Sector Leader, EY  
E [elliott.shadforth@hk.ey.com](mailto:elliott.shadforth@hk.ey.com)

## **Cindy Shek**

Partner, Hong Kong King & Wood Mallesons  
E [cindy.shek@hk.kwm.com](mailto:cindy.shek@hk.kwm.com)

## **Halley Caldwell**

APAC Head of Prime Brokerage Business Consulting, Morgan Stanley  
E [halley.caldwell@morganstanley.com](mailto:halley.caldwell@morganstanley.com)

## **Jek-Aun Long**

Partner, Singapore Office Head  
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## **Alice Molan**

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## **Thomas Granger**

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E [thomas.granger@walkersglobal.com](mailto:thomas.granger@walkersglobal.com)

## **James Gaden**

Partner  
Walkers  
E [james.gaden@walkersglobal.com](mailto:james.gaden@walkersglobal.com)

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