

Luxembourg newsflash

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First R-QFII manager based outside Greater China to obtain CSSF approval for a R-QFII UCITS-compliant product

Contact us:



Claude Kremer
Head of Investment Management



Isabelle Lebbe
Partner, Investment Management



Stéphane Karolczuk
Head of Hong Kong office

Arendt & Medernach's teams in Luxembourg, London and Hong Kong have advised Ashmore Investment Management Limited ("**Ashmore**") throughout the process leading up to the approval by the Luxembourg regulator (the "**CSSF**") of the first Luxembourg R-QFII UCITS managed by a R-QFII manager based outside Greater China. Earlier this year, Ashmore became the first manager based outside Greater China to be granted a R-QFII license by the authorities of the People's Republic of China ("**PRC**"). In addition, Ashmore's Luxembourg R-QFII UCITS has been authorised by the CSSF to invest, subject to final approval by the PRC authorities, directly up to 100% of its net assets in debt instruments traded on the China Interbank Bonds Market (the "**CIBM**"), which is unprecedented.

This is an important milestone for the Luxembourg financial centre. Indeed, it confirms the possibility for managers based in R-QFII centres other than Hong Kong, such as London, Singapore or Paris, to use their R-QFII licence and quotas with existing or newly created Luxembourg UCITS platforms. It also confirms that Luxembourg UCITS may invest up to 100% in debt instruments dealt on the CIBM, which was recently recognised by the CSSF.

Christoph Hofmann, Ashmore's Global Head of Distribution, comments: "The Chinese investment market is one of the most dynamic in the world. Many of our clients are looking for ways to make dedicated investments in China's local markets as part of their well-diversified global portfolios. Being able to do so in a UCITS-compliant structure offers a more flexible and effective way to access a compelling investment opportunity."

Please contact us should you require any further information.

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