

PROCEED TO THE GATE - THE ASIA REGION FUNDS PASSPORT



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15/09/2015

Proceed to the Gate – the Asia Region Funds Passport

An important step on the road to an integrated Asian funds management system occurred on 10-11 September 2015 when APEC finance ministers met in the Philippines to sign the statement of understanding (SOU) for the Asia Region Funds Passport. This brings the concept one giant step closer to fruition.

A research report from AT Kearney conducted jointly with the Financial Services Council suggests that the Passport could cover \$600 billion of funds under administration by 2030.* that's roughly 11% of the market's value.

Here at Perpetual Corporate Trust we welcome this development as we have worked closely with industry and government officials on designing the governing rules.

Australia, New Zealand, South Korea, Thailand, the Philippines and (as a result of the recent APEC summit) Japan, comprise the pilot economies who signed the SOU on 11 September 2015.

Australian unit trusts will be eligible to participate if the fund/trust is registered with its home regulator and meets certain eligibility requirements. At this stage, eligibility is limited to funds with liquid assets, managed by firms with a 5 year track record (and certain minimum qualifications for officers) who meet the Passport capital requirements.

Things to note:

- Pilot economies have 12 months from the date they sign to implement the SOU domestically
- Structure – there are no restrictions on fund structure so long as the fund is an “eligible fund” under the Passport rules e.g. it can be a unit trust or corporate vehicle

- Disclosure – disclosure is governed by the host economy’s laws in order to satisfy that jurisdiction’s investor protection regime
- Rules – ongoing rules apply to the fund so long as it takes advantage of the Passport

Perpetual Corporate Trust has been making significant contributions to the design and development of the Passport. Further details are available [here](#).

*Asia Regional Funds Passport, the Case for Greater Integration in Asian Funds Management”, AT Kearney, February 2014.