



Invitation for Proposal
Regarding the Provision of
Asset Management Administration
and Related Services to the
Investment Portfolio under the New
Capital Investment Entrant Scheme

5 December 2024

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1. Purpose of Document

- 1.1 This document is an invitation for proposal (“IFP”) to facilitate the assessment process for appointing a company for the provision of asset management administration and related services (“Service Provider”) for the Investment Portfolio (“CIES IP”) under the New Capital Investment Entrant Scheme (“New CIES”).

2. Background

- 2.1 The Hong Kong Investment Corporation Limited (“HKIC”) is wholly owned by the Government of the Hong Kong Special Administrative Region (“HKSAR”). The HKIC is tasked to set up and oversee the management of the CIES IP. According to the requirement of the Government of the HKSAR, an eligible applicant under the New CIES (“Eligible Party”) must make investment of a minimum of HK\$30 million in permissible investment, including placing HK\$3 million into the CIES IP (“Contribution to the CIES IP”). According to the HKIC’s latest estimate, the size of the CIES IP under the New CIES is expected to be at least HK\$450 million by the end of this year. Investment of such capital is expected to start in the first quarter of 2025. It is anticipated that fund managers (“Managers”) will be appointed to manage the investments for the CIES IP based on the investment mechanism under the CIES IP.
- 2.2 As announced in November 2024 and among other things, the operational arrangements of the CIES IP are set with a view to:
- (a) Fully realising the function of the CIES IP for the long-term development of Hong Kong’s economy and society; and
 - (b) Joining hands with multi-disciplinary stakeholders to accelerate in tapping into and strategising the planning for the cutting-edge impetus for growth for the future of Hong Kong.
- 2.3 More detailed information about the HKIC and the CIES IP can be found on the HKIC website: www.hkic.org.hk.

3. Scope of Services

- 3.1 The Service Provider will provide asset management administration and related services for the CIES IP in relation to the investments to be made for the CIES IP. The term of service for this appointment is seven years which, at the sole discretion of the HKIC, can be renewed for another three years. The Service Provider will be responsible for coordinating inputs from the Managers and preparing reports accordingly for the Eligible Party whose Contribution to the CIES IP is managed by the Managers appointed pursuant to the announcement made on 11 November 2024 and 27 November 2024 respectively (“Investor”). The relevant reports will cover various aspects, including but not limited to:

- (a) Cashflow information;
- (b) Commitment and valuation information; and
- (c) Performance.

The Service Provider shall also be responsible for:

- (a) Tracking the quality and timeliness of data submissions by the relevant data providers;
- (b) Providing access to the reporting systems and applications;
- (c) Coordinating with the relevant parties (including auditors) in addition to the Managers as appropriate;
- (d) Processing subscription and capital contributions, as well as any withdrawals and distributions (as applicable) declared by or on behalf of the CIES IP;
- (e) Providing assistance to deal with and reply to correspondence and communications addressed to the CIES IP in relation to the subscription and capital contributions, as well as any withdrawals and distributions (as applicable);
- (f) Dispatching to the Investors notices prepared by or on behalf of the CIES IP;
- (g) Maintenance of limited partnership register (or equivalent);
- (h) Providing hotline services to answer potential enquiries from the Investors;
- (i) Advising on custodial arrangement in relation to the CIES IP and providing related custodial services as required;
- (j) Providing appropriate services to the Managers of the CIES IP as required;
- (k) Onboarding and undertaking Investor due diligence for the CIES IP (directly or through other institutions), providing Anti-Money Laundering/Counter Terrorist Financing (“AML/CTF”) compliance oversight of the CIES IP activities (including investment activity as well as the Investor-related anti-money laundering issues) and undertaking necessary AML/CTF checks and risk assessments for CIES IP; and
- (l) Any other value-added services to the HKSAR Government and the HKIC in relation to the CIES IP, including with respect to the Investor-related issues and investments made by the CIES IP.

4. Contract Period

- 4.1 The Service Provider is expected to provide the asset management administration and related services to the CIES IP tentatively for a period of seven (7) years, subject to renewal for another three (3) years at the HKIC’s sole discretion.

5. Format of the Response

- 5.1 The response to be submitted in relation to this IFP should contain the following information:

- Part A – Company profile
- Part B – Relevant capabilities
- Part C – Personnel and project management
- Part D – Fees and terms

The ensuing sections outline the basic information required for consideration. Each interested institution for the aforesaid role of Service Provider (“Applicant”), and to be considered as part of the appointment review process, should prepare its response in strict compliance with the sequence and format required in the ensuing sections, but any additional information is welcome. Please keep the information within 7 pages, for Part A – Part C, including any additional appendices or annexes, and within 1 page for Fees and Terms (Part D).

Part A – Company profile

Please give a brief description of your company profile, including:

- (a) A brief description of your firm and its regulatory status;
- (b) Financial strength of your firm; and
- (c) History, organisation and presence in Hong Kong.

Part B – Relevant capabilities

Please provide details of the following:

- (a) Local resources and expertise in the relevant asset management administration and related services;
- (b) Management of information technology platform for processing, updating, storing and retrieving client portfolio data;
- (c) Capabilities on resolving system and data security issues and the accessibility of the information system;
- (d) Technical competence and experience in identifying potential and actual legal, financial, business and operational risks associated with delivering asset management administration and related services;
- (e) Capabilities on providing custodial services and other customised services as required;
- (f) Relevant experience in advising public entities or institutional investors; and
- (g) Elaboration on whether any of the asset management administration and related services required herein will be delegated or subcontracted to an associated or allied entity of your firm and if so, please also provide the rationale for your selection of that vendor, and identify any potential conflicts of interest that may arise from this arrangement and to propose measures to mitigate such conflicts.

Part C – Personnel and project management

Please provide details of the following:

- (a) Experience, expertise, qualification and location of the key individuals to be committed to the asset management administration and related engagement and their roles, and the staff resources to be allocated to provide the required services under this IFP;
- (b) Key members of the proposed team based in Hong Kong and their roles;
- (c) Potential conflicts of interest that may arise if your firm were to be appointed and to propose measures to mitigate such conflicts; and
- (d) Outline of the service scope, approach and work schedule (if any) in relation to the asset management administration and related services.

Part D – Fees and terms

- (a) Please provide a proposed fee structure for the services in each of the financial years between 2025 to 2031. Please also propose a fee structure for financial years from 2032 to 2034 in case the HKIC renews the contract for another three years.
- (b) Please provide a quotation that specifies the services fee per Manager regarding the aforesaid asset management administration and related services (i.e. do not provide a quotation on an aggregate basis), noting that more than one Manager is expected to be appointed for the CIES IP and each Manager is expected to manage a separate sub-portfolio under the CIES IP and invest in a number of underlying investments by way of varying structures which may involve different funds or special purpose vehicles. The quotation should include:
 - (i) a basic fee for providing asset management administration and related services to the CIES IP; and
 - (ii) a breakdown of investment-related and other fee components in relation to the complexity of the asset management administration and related work, including but not limited to whether the Manager is making a direct investment or an indirect investment (e.g. being a limited partner in a limited partnership).
- (c) Please state clearly an overall fee cap (if any) inclusive of out-of-pocket expenses for the services required per Manager in relation to the asset management administration and related services.

If delegation or sub-contracting is proposed, please provide similar information on the fee structure of the vendor proposed to be delegated or sub-contracted.

6. Selection Criteria

- 6.1 The HKIC will seek to select Service Provider based on the following criteria: company profile, relevant capabilities, personnel and project management and fees and terms.
- 6.2 Your response should be submitted in strict compliance with the sequence and format specified in Section 5.
- 6.3 Late or incomplete response will not be considered.
- 6.4 The technical response (Part A – Part C under Section 5.1 above) and fee response (Part D under Section 5.1 above) should be submitted separately. The fee response would only be considered upon meeting a minimum threshold of the technical response.
- 6.5 Notwithstanding anything set out in this IFP, the HKIC reserves the right to disqualify an Applicant on the grounds, among other things, that the Applicant has engaged, is engaging, or is reasonably believed to have engaged or be engaging, in any act or activity that constitutes or is likely to constitute an offence under the Prevention of Bribery Ordinance (Cap.201), or that is reasonably considered by the HKIC to be prejudicial to the interests or reputation of the HKIC or the HKSAR Government, or prejudicial to national security or the public interest of Hong Kong.

7. Enquiries Contact

- 7.1 Any questions regarding this IFP should be directed to:

CIES_IP_submission2024@hkic.org.hk

8. Submission of Response

- 8.1 Electronic submission of response to this IFP, in the format specified in Section 5 “Format of the Response”, should be delivered by email **ONLY** (under two separate email covers, one for technical response and one for fee response) to the following email address:

CIES_IP_submission2024@hkic.org.hk

with email subject marked: **“Response to IFP for the CIES IP (Service Provider for Asset Management Administration and Related Services) – Technical”** and **“Response to IFP for the CIES IP (Service Provider for Asset Management Administration and Related Services) – Fee”** respectively, no later than 18.00 of 11 December 2024 (Hong Kong Time).

Failure to comply with the above submission requirement would render the submission disqualified.

Late submission or incomplete responses will not be considered by the HKIC. It is the responsibility of the Applicants to ensure their responses (electronic copy) reach the HKIC at the above address before the stated closing time, taking into account circumstances such as file size, internet and electronic transmission delay. Responses submitted via a uniform resource locator (URL) of public/private cloud storages (e.g. Google drive, Dropbox) embedded in the above email submissions will not be considered by the HKIC.

- 8.2 If tropical cyclone signal No.8 or above is hoisted, or black rainstorm warning signal or “extreme conditions after super typhoons” announced by the HKSAR Government is/are in force at any time between 9.00 a.m. and 12.00 noon on the IFP closing date, the IFP closing time will be postponed to 12.00 noon on the first working day after the tropical cyclone signal No.8 is lowered, or the black rainstorm warning signal or the “extreme conditions after super typhoons” announced by the HKSAR Government has/have ceased to be in force.

9. Timetable for Response Review Process

- 9.1 Evaluation of the responses will be carried out in December 2024.
- 9.2 Applicants who receive no further contact or information from the HKIC by 31 December 2024 may assume that they will not be considered further for this purpose.

10. General Conditions of this IFP

- 10.1 Applicants shall note that anything contained herein is for guidance only and does not in any way constitute a contractual relationship between the HKIC and any Applicant.
- 10.2 In issuing this IFP, there is no implied obligation for the HKIC to select any of the responses submitted, nor is the HKIC bound to accept the response of the lowest cost or any one of the responses received.
- 10.3 This IFP is issued on the understanding that no Applicant will charge the HKIC for any costs on preparing the response, submitting samples, etc. Each Applicant should also be prepared, at no charges to the HKIC, to answer further enquiry from or provide supplementary information to the HKIC on details of its response and/or attend subsequent interviews or meetings. For the avoidance of doubt, each Applicant shall bear all the costs incurred in the preparation of its response.
- 10.4 Each Applicant should ensure that it fully understands the scope of the services required as well as the terms and conditions of this IFP.

- 10.5 Each Applicant should respond to this IFP on the basis that, if ultimately being selected, it will be appointed to have sole responsibility for providing the services described in this IFP and/or those proposed in the Applicant's own response submitted. Any limitation of responsibility that the Applicant wishes to negotiate should be clearly stated, with justifications, in its response.
- 10.6 The HKIC has the full discretion in the selection and appointment of the Service Provider. The HKIC will not disclose its considerations, reasons, terms and conditions for the appointment, or the non-appointment, to any Applicant irrespective of whether its response is accepted. The HKIC may however disclose if the HKIC considers it appropriate (and without further reference to, or consent from, the Service Provider), the award of the contract, the engagement and identity of the Service Provider, the product/service to be provided, any estimated fees, costs and expenses, and any other information relating to this IFP.
- 10.7 The Applicant shall not assign, sell, dispose of or subcontract, in whole or in part of the services required in this IFP without the prior written consent of the HKIC.
- 10.8 The Applicant shall submit to the HKIC all advertising, marketing or other publicity material relating to the appointment, services, systems and equipment in connection with this IFP wherein the HKIC's name is mentioned or implied. The Applicant shall not publish or use any such advertising, marketing or other publicity material without prior written consent of the HKIC.
- 10.9 All information and documents submitted by the Applicants will not be returned and will be disposed of by the HKIC after three years from the last date of submission specified in this IFP.
- 10.10 The HKIC reserves the right, and at the sole discretion of the HKIC to exercise this right, to negotiate with any Service Provider about the terms of the service agreement.
- 10.11 The Applicant shall take all necessary measures in ensuring no unauthorised disclosure, loss or leakage of confidential or personal data. The Applicant shall treat as confidential all information supplied by the HKIC which is designated as confidential by the HKIC or which is by its nature clearly confidential provided that this clause shall not extend to any information which is already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause).

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