

JunHe lawyers have demonstrated excellent professionalism and problem-solving ability for the legal affairs of the funds.

—Chambers Greater China Region

## Securities Investment Funds

**In recent years, securities investment funds raised in a public or non-public manner have grown rapidly and the scale of the assets managed by such funds continues to soar.**

### Our Team

JunHe is one of the pioneering domestic law firms to practice law in the area of securities investment funds and for many years has been providing a full range of legal services to both privately and publicly offered-fund managers in this segment. These services include advising on business set-up, license application, the launch and operation of funds, compliance and regulatory matters, dispute resolution and almost every other legal aspect related to funds and fund managers, including but not limited to data security, intellectual property and labor matters. Through years of service and by virtue of their profound understanding and insight of the market and regulatory policies, JunHe's team has developed outstanding practice skills in the area of cross-border asset management. It has become a reliable and trusted legal partner of many leading asset management institutions for a wide range of inbound schemes like Qualified Foreign Investors (QFI), northbound trading of Stock Connect and Bond Connect, as well as outbound schemes such as Qualified Domestic Institutional Investor (QDII), Qualified Domestic Limited Partner (QDLP) and Qualified Domestic Investment Enterprise (QDIE).

JunHe's clients include renowned fund management companies and trading firms in China, custodians, fund administration service providers and other third-party service providers. The firm maintains close working relationships with various regulatory authorities including the China Securities Regulatory Commission (CSRC), the China Banking and Insurance Regulatory Commission (CBIRC), the financial bureaus of Chinese local governments, the Asset Management Association of China (AMAC), stock and futures exchanges and other regulatory authorities and organizations. JunHe has been heavily involved in various studies, enactments, recommendations and formulations of the legislation and policies regarding securities investment fund markets.

In the securities investment funds and financial regulatory area, JunHe has formed a securities compliance team which can provide a full process of compliance advice covering the civil, criminal, administrative and regulatory fields. This team has been following the development of legislation, judicial and regulatory practices, in order to advise its clients on how to identify and manage compliance risks and how to maintain compliance operations and sustainable development.

### Primary Legal Services

The legal services offered by JunHe include:

- providing compliance advice and training for fund management companies, drafting compliance opinions and advice, and reviewing agreements and contracts with respect to daily business operation;
- assisting fund managers in the establishment of institutions, advising on their business structures and strategies, and assisting them in obtaining government approvals and registrations;
- assisting privately offered fund managers, including wholly foreign owned or Sino-foreign invested private securities investment fund managers, QDLP fund managers, QFLP fund managers, QDIE fund managers and other types of fund managers, in completing registrations and filings;
- advising on legal issues with respect to fund product sales, operations, transactions and other daily operations, reviewing relevant documents, participating in the drafting and negotiation of documents, and assisting in completing filings in respect to funds;

JunHe, founded in Beijing in 1989, is one of the first private partnership law firms in China. Since its establishment, JunHe has grown to be a large and recognized Chinese law firm. The firm has twelve offices around the world and a team comprised of more than a thousand professionals.



## JunHe LLP is highlighted for its full service, offering advice on fund formation, investments, acquisitions and exits.

—Chambers Greater China Region

- providing a full range of services for foreign institutions participating in the opening up of China's financial markets and assisting such institutions in applying for qualification and quota approval as well as fund raising and operations; and assisting foreign institutional investors in entering the equities, bonds and derivatives markets.

### Selected Deals

#### **Assisted a number of renowned foreign managers in obtaining securities fund manager registration and various fund launches**

JunHe assisted with the applications for the registration of privately offered securities investment fund managers for a number of wholly foreign owned enterprises founded in China by UBS, Fullerton, Man, Winton, D.E.Shaw, Two Sigma, Russell and DTL. JunHe also assisted in the drafting, reviewing and commercial negotiation of fund contracts, custodian agreements and fund outsourcing agreements, as well as account supervision, distribution and brokerage agreements.

#### **Assisted several world-renowned asset management institutions in obtaining qualification and quota approval for QDLP and QFLP pilot schemes**

JunHe assisted several world-renowned asset management institutions in obtaining qualification and quota approval for QDLP and QFLP pilot programs. This included communicating with authorities, making filings and registrations, advising on daily business operations, and drafting and attending negotiations of fund related legal documents. JunHe also advised leading asset managers on their applications for QFLP pilot qualification in Shanghai for investments in specific sectors such as non-performing assets, credit investments, preferred shares, convertible bonds, and mezzanine investments.

#### **Advised many leading Chinese and foreign financial institutions on compliance and daily legal and regulatory issues in relation to fund businesses**

JunHe assisted mutual fund companies in conducting evaluations on the efficacy of their compliance management and advised on their daily operation and compliance issues from time to time and reviewed their business contracts and agreements. JunHe also provided leading fund custodians and service providers with training and daily support in respect to fund custody, outsourcing, anti-money laundering and cross-border data transfers.

JunHe also advised various foreign financial institutions on regulation and compliance issues in relation to their participation in trading on the Chinese capital markets, including but not limited to trading compliance, information disclosure, program trading and market making, and advised foreign funds and financial institutions on compliance issues in relation to their marketing and promotional activities in China.

#### **Advised various Chinese finance regulatory authorities on legislation and policies**

JunHe advised CSRC and AMAC on the various legislation and policies regarding the administration of private funds, particularly on the regulatory policies regarding foreign-owned and joint venture private securities investment fund managers. We were entrusted as outside legal experts by AMAC to complete research reports on the regulation of overseas public funds and cross-border data transfers in relation to foreign funds or fund managers.

JunHe also provided expert opinions and advice to local governments regarding foreign invested fund-related business including QDLP and QFLP pilot schemes and participated in drafting and proposing amendments to certain rules.

JunHe has been heavily involved in the enactment and formulation of laws and policies with respect to the Chinese capital markets, including laws, regulations and judicial interpretations on securities and futures trading for both exchange and inter-bank markets, and provided advice regarding the formulation of policies on the entry of foreign capital into the Chinese securities and futures markets.

#### **Provided legal services to institutions and individuals in response to numerous investigations and penalties imposed by various finance regulatory agencies**

JunHe represented several financial institutions and individuals in responding to administrative and criminal investigations and penalty proceedings imposed by various financial regulatory agencies with respect to insider trading, trading by the use of undisclosed information, and market manipulation. This included internal compliance investigations and reviews, preparing responses, and participating in various hearings and court sessions.

A Capital Markets Law Firm of the Year - China  
2022  
In-House Community

JunHe was one of the first domestic law firms to be approved to advise on securities and capital markets and has placed this practice area at the core of the firm's growth and development. Throughout the years, JunHe has helped companies from diverse industries, countries and business stages to raise capital and achieve their corporate goals. Our clients benefit from our extensive knowledge of the legal framework and the practical realities of raising capital in China and overseas.