

MEMO# 30874

September 18, 2017

Asia Region Funds Passport - Guidance Consultation - ICI Global Comment Letter

[30874]

September 18, 2017 TO: ICI Global Exchange Traded Funds Committee
ICI Global Pacific Chapter
ICI Global Regulated Funds Committee
ICI Global Tax Committee
International Operations Advisory Committee
International Operations Working Group RE: Asia Region Funds Passport - Guidance Consultation - ICI Global Comment Letter

On 18 September 2017, ICI Global filed a comment letter in response to the interim guidance consultation published by the Joint Committee (JC) of the Asia Region Funds Passport (ARFP) initiative.[\[1\]](#)

ICI Global's comment letter takes account of member comments received on the draft letter that was circulated for review.[\[2\]](#) ICI Global's comment letter addresses the following areas:

- **Distribution** – permit the use of ARFP funds for retirement and long-term savings;
- **Tax** – eliminate tax barriers that erode the benefits of an ARFP fund;
- **Implementation** – enable ARFP funds to develop an early reputation for transparency and strong regulation by providing clarity on implementation in good time before the passport;
- **ARFP rules** – promote regulatory coordination, convergence and harmonisation;
- **Operations** – facilitate cross-border provision of operational functions for ARFP funds; and
- **Enlargement** – support further enlargement of the group of ARFP participants.

The annex to the letter briefly describes international approaches to fund registration and marketing, to inform the potential future development of the ARFP.

Next Steps

ARFP JC members have indicated that they may update the guidance as the applicable legal requirements become clear and also to take into account industry submissions to the consultation. As described in the annual report[\[3\]](#) that was published alongside the guidance consultation, some participating member economies intend to implement the ARFP by the end of this year. As described in the MoC, the activation of the Passport will occur after any two participating economies complete implementation. In our draft

response to the guidance consultation, we urge the ARFP JC to adopt a balanced approach to the activation of the passport – ensuring that the remaining aspects of implementation are settled and communicated to potential ARFP operators in good time ahead of activation, and that ARFP supervisory authorities are ready and able to deal with ARFP funds from day one.

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Director of Global Funds Policy, ICI Global

[Attachment](#)

endnotes

[1] Memo 30804, dated 31 July 2017, RE: Asia Region Funds Passport - Publication of First Annual Report and Guidance Consultation (Deadline: 19 September 2017), *available from* <https://www.iciglobal.org/iciglobal/pubs/memos/memo30804>

[2] Memo 30868, dated 12 September 2017, RE: Asia Region Funds Passport - Guidance Consultation - Draft ICI Global Comment Letter for Review by 15 September, *available from* <https://www.iciglobal.org/iciglobal/pubs/memos/memo30868>

[3] Asia Region Funds Passport, Annual Report 2016-2017, *available from* https://cdn.tspace.gov.au/uploads/sites/20/2017/07/ARFP_AR_2017.pdf