



Investment Management Business

■ Fangda Overview

Founded in 1993, Fangda Partners is the preeminent China-based international law firm with more than 700 lawyers in our offices in Beijing, Guangzhou, Hong Kong, Shanghai, and Shenzhen.

We excel at complex cross-border transactions and projects, domestic and cross-jurisdictional dispute resolution, and government investigations. We combine top-quality PRC legal expertise with global-standard international transaction and case management to provide clients with a one-stop service. Our lawyers are qualified in many jurisdictions, including the People's Republic of China, Hong Kong SAR, England and Wales, the United States, Singapore and Australia.

We are the firm of choice for clients' most challenging transactions and legal issues in many practice areas. Since we were founded, we have advised on some of the largest and most complex corporate and finance transactions in China, the region and globally. We have also assisted our clients with many renowned and complex cases and arbitrations, compliance and government investigations in the region.

We serve a wide variety of major clients—including large multinationals, global financial institutions, leading Chinese enterprises and fast-growing hi-tech companies—on an extensive range of commercial matters, offering PRC law and Hong Kong law.

Our strengths have been widely recognized by our clients and peers. Chambers has commented on our cross-border capabilities in the following terms – “outstanding quality of its lawyers”, “high level of service that is comparable to international firms”, and “strong global outlook”.



Our Experience

Fangda offers fully fledged services relating to financial institutions and asset management and the Chinese financial and asset management markets, ranging from regulatory and transactional work to contentious matters. We bring a practical and business-oriented approach to offering a full-range of commercial legal services and balancing client business needs with regulatory compliance.

Our clients include all key participants in financial and asset management services, including investment banks, asset managers, commercial banks, financial sponsors, alternative fund managers, insurers and fintech companies.

Our team comprises leading lawyers with extensive experience as outside counsel advising financial institutions and asset managers on regulatory and M&A matters and as in-house counsel advising securities firms, PFMs and mutual fund managers on legal and compliance matters.

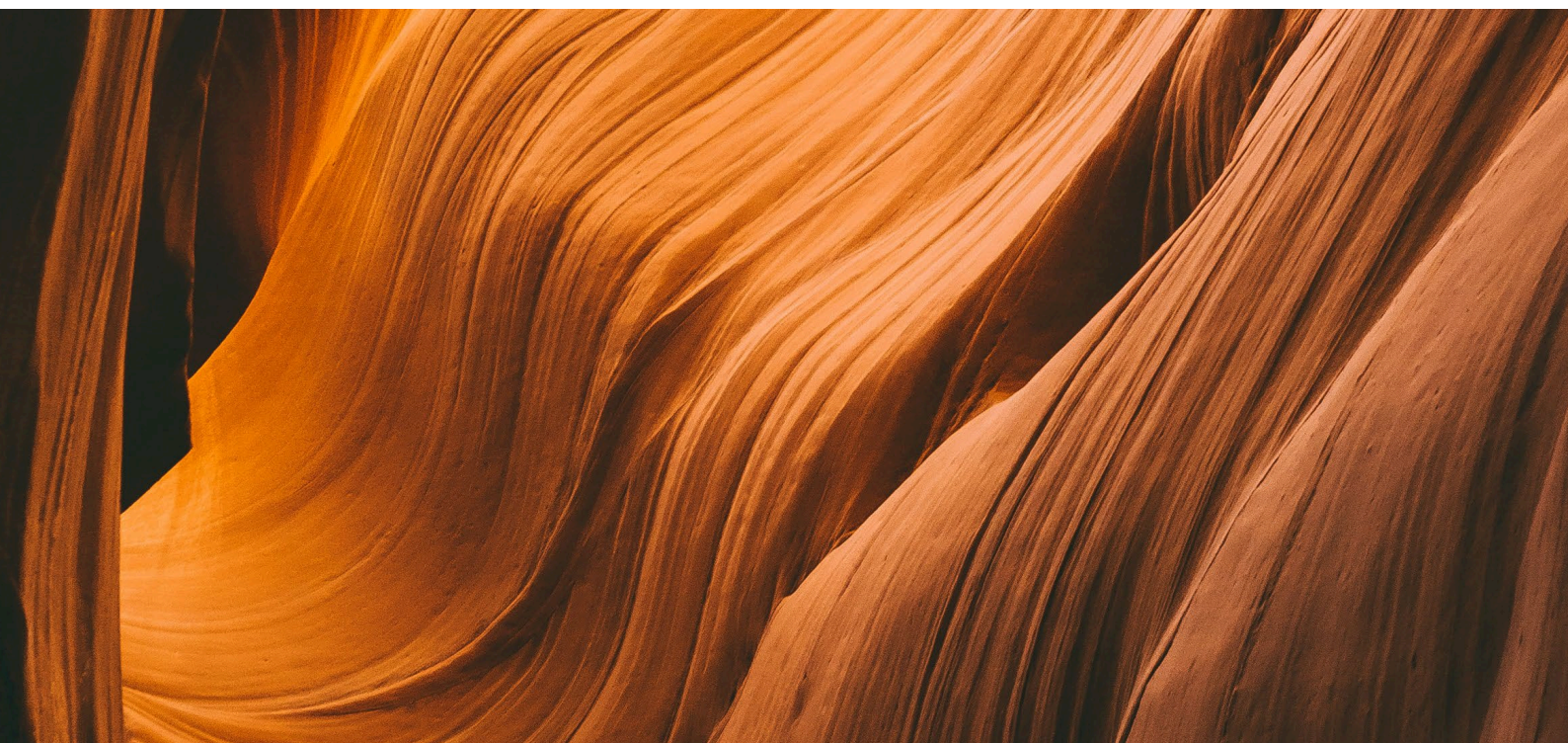
We have developed close working relationships with the financial regulatory bodies in China through working with them on many matters over many years. This practical experience enables us to provide clients with advice that is not only strategically tailored but also tactically well-informed.

We offer a unique combination of international and domestic capabilities through our in-depth understanding of both international and domestic markets and regulations to ensure that matters are handled efficiently and effectively to best safeguard and accomplish client interests.

We have more than 20 years' experience of advising traditional fund management and alternative asset management companies on legal and compliance issues for all their complex asset management requirements.

Our regulatory capabilities include:

- Establishing new entities in the financial and asset management sectors, assisting clients in obtaining regulatory authorizations and completing all legal and compliance steps
- Structuring PRC financial market acquisitions and joint ventures, as well as fulfilling licensing, approval and filing procedures
- Offering strategic advice and tactical analysis for businesses providing financial and asset management services in China
- Supporting banks, securities and fund managers, insurance companies and foreign bank representative offices in China in their ongoing activities and operations, including assisting them with legal issues relating to trading, clearing and settlement of domestic securities, futures, commodities and currency products
- Advising on market misconduct, including misrepresentation, short selling, insider trading, and market manipulation
- Advising on foreign exchange issues
- Advising on cross-border investment activities, for example through the QFII, the QDII schemes, the CDR, the Stock Connect, and the Bond Connect, including reviewing investment documents and advising on regulatory issues
- Advising on regulatory investigations into securities investment, asset management, banking, foreign exchange, and anti-money laundering
- Conducting in-depth reviews of corporate governance practices at financial institutions and asset managers, including all aspects of regulatory governance, systems and controls requirements; setting up reporting structures and decision-making processes; and advising on board and committee regulation
- Advising on mandatory requirements and best practices relating to system deployment, data storage and security, cross-border data transfer, and privacy protection.



We are renowned for our asset management expertise in China. Since the most recent round of the opening-up of China's financial sector in 2018, we have successfully assisted many offshore financial institutions and asset managers in achieving groundbreaking firsts in setting up foreign-controlled entities and obtaining onshore PRC business permits. During the process, we, together with regulators and clients, have explored the implementation of applicable statutory provisions so that regulatory rules and internal control requirements are implemented reasonably, pragmatically and effectively.

Some high-profile cases on which we have advised include:

- Assisting in setting up China's first open-ended publicly offered fund
- Assisting in setting up the first foreign-controlled securities firm
- Assisting in setting up the first wholly foreign-owned futures company
- Assisting in setting up the first foreign-invested bank wealth management subsidiary
- Assisting a foreign shareholder in becoming the first foreign shareholder to acquire a majority stake in a public fund management company in China through the public listing process
- Assisting a foreign shareholder in becoming the first foreign shareholder to acquire the largest stake in a public fund management company in China
- Assisting a subsidiary of a foreign bank in obtaining the first license ever issued permitting fund distribution business in China
- Assisting in establishing a joint venture company to provide fund investment consulting business services for individual Chinese investors. This was one of the first fund investment consultancy licenses issued by the China Securities Regulatory Commission (CSRC)
- Assisting in the set-up of a foreign-invested non-performing assets disposal company, one of the first licensed foreign-invested non-performing loan (NPL) enterprises in China
- Assisting a foreign-invested asset management company on its strategic partnership cooperation with a wealth management subsidiary of a commercial bank, the first time this had been done in China
- Assisting in setting up the first Fintech Services Sub in China established by a multinational bank for its wealth management business
- Advising the first foreign-invested company approved by the People's Bank of China (PBC) to establish an onshore bank card RMB clearing network
- Assisting offshore hedge funds with their filing with the Asset Management Association of China (AMAC). These filings were among the first batch of foreign private fund management licenses (PFMs) filed with AMAC
- Assisting a foreign bank in obtaining the qualification to perform as fund custodian for securities investment funds
- Assisting foreign private equity managers in obtaining the first batch of approved QFIs under the new 2020 QFI rules
- Assisting in establishing the first Qualified Foreign Limited Partnership (QFLP) focusing on debt investment, the first case for credit funds
- Assisting in the acquisition of the one of the first batch of insurance brokerage firms by an automaker
- Assisting in establishing the first WFOE to provide ESG evaluation services in China

- Assisting a top US asset manager in its fund M&A activity through the acquisition of a minority interest in the general partner of a leading Asian private equity manager
- Assisting a well-known British asset management group in its fund M&A activity through its merger with an international insurance group
- Assisting in one of the first multi-asset fund product offerings using a PFM
- Assisting in one of the first offshore financings of a cross-border NPL acquisition
- Assisting the first joint venture wealth management company in issuing its first wealth management product
- Assisting in one of the first Qualified Domestic Limited Partner (QDLP) products distributed by a foreign-invested securities firm
- Assisting in one of the first offshore financings of a cross-border NPL acquisition
- Assisting a wholly foreign-owned private fund management company with the issuance of multi-asset fund products
- Assisting various QFIs for their vendor agreements with custodians and brokers
- Assisting in: analyzing requirements for cross-border data transfer, personal information protection and IT system set-up and outsourcing as applied to financial infrastructure, banks, securities firms, futures companies, funds and financial services institutions; conducting data-mapping; and designing general IT compliance frameworks
- Assisting newly established financial institutions to prepare policies, PnPs and business templates for IB, marketing, research and asset management
- Representing a globally renowned hedge fund in an administrative investigation and the related hearings conducted by the CSRC
- Assisting in major and complex cases involving financial derivatives in domestic court proceedings, and dealing with domestic and international arbitration related to fund investments
- Providing crisis management for renowned securities companies in relation to asset management products
- Representing a private investment fund custodian in negotiations and litigation with investors claiming losses from defaults in private investment fund products, malpractice by uncommunicative private investment fund managers, and breaches in honoring of products
- Advising a broker on a cross-border regulatory investigation arising from client trading through the Shanghai-Hong Kong Stock Connect
- Assisted a mutual fund manager in reviewing the business operation of its fund subsidiary and improving the risk control of the fund subsidiary.

Our Team

Our team members have extensive experience in China's asset management market, both as legal practitioners and as industry practitioners. Many of our team members have worked in the legal and compliance departments of leading fund management companies. We offer clients our in-depth knowledge of and practical experience in governance structures, operational models, business practices, transactions and products within the asset management sector.

We have highly developed relationships with regulators and understand how they think and work. We are able to provide insight to our clients in the asset management sector as they develop their business in the China market, including advising on groundbreaking products.

In addition, we offer clients dispute resolution capability. We have advised clients in many challenging asset management disputes and have successfully represented them in cases before tribunals. Our compliance team has great knowledge of data compliance, network security and privacy protection, all areas that are critical to asset management.



Our dispute resolution and compliance lawyers work together closely to ensure they fully understand our clients' business needs so that they can achieve the best outcomes for our clients by:

- Providing all-inclusive risk management advice, covering comprehensive regulatory, judicial and arbitration considerations
- Helping our clients to innovate while managing risk effectively
- Providing practical solutions for asset management companies whether related to products, operations, compliance or internal controls, as well as helping clients to achieve the optimal result in any dispute.

Key Areas of Focus

We have extensive experience in the following areas:

Institutions

We handle all matters related to the establishment of fund management businesses, license applications, governance (of institutions and funds), ongoing compliance and other aspects for traditional and alternative asset management companies.

Transactions

We represent onshore and offshore funds in asset management investments, mergers and acquisitions, establishment of joint ventures and exit transactions, including domestic and cross-border transactions. Benefiting from our leadership in cross-border mergers and acquisitions, capital markets, and acquisition financing, we have advised on many of the most complex transactions in the asset management sector.

Products and Markets

We provide traditional and alternative asset management companies investing in China with comprehensive and in-depth legal and compliance services, including covering product offerings and investment/acquisition transactions. Our expertise includes securities trading, financial futures, mezzanine financing, cross-border equity swaps, and cross-border transfers of non-performing assets, among others. We also have extensive experience in exchange rates, interest rates, and credit and risk hedging for commodities and equity derivatives traded on exchanges or OTC.

Operation

We provide a wide range of services to various institutions on product issuance and distribution, internal control systems, information security (including financial infrastructure), data compliance (including cross-border data transmission), personal privacy protection, and anti-money laundering. We assist clients develop policies, procedures and template documents for compliance systems and for risk inspection and evaluation.

Law Enforcement and Government Investigations

We assist clients with investigations by regulatory authorities in finance, securities, data and other fields. We assist companies to establish procedures and policies for internal investigations, and self-monitoring that may be required in conjunction with external investigations. We represent asset management companies and other financial institutions when communicating with government departments.

Our team also has an abundance of experience in cross-border investigations, including cross-border regulatory investigations related to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

Dispute Resolution

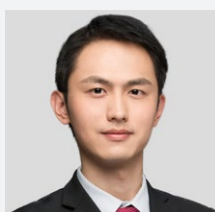
We help asset management clients resolve disputes, including assisting managers, custodians, underwriters and investors in all aspects of dispute resolution and judicial proceedings. Our experience includes disputes involving defaults, product redemption failures, investor claims, bond default events, professional liability, and administrative proceedings and litigation.

Team Members



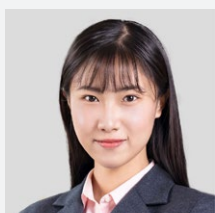
Zhiyi REN

Zhiyi REN is a leading regulatory lawyer in China, specializing in regulatory, financial markets, fund products and M&A transactions in the financial sector. Since 2003, he has provided legal services to multinational financial companies and multinational asset management companies in China in areas such as entity establishment, products, compliance, regulatory investigations, crisis management, and cross-border transactions. Before joining Fangda, Zhiyi worked as head of compliance in an internationally renowned investment bank's domestic subsidiary on all its China investments. His work dealt with securities, futures, funds, commodities, trusts, guarantees, special opportunity groups and quant research. He gained an abundance of experience handling the legal and compliance affairs of several financial enterprises. He also worked in an international law firm for many years and is a member of the PRC Bar and the New York State Bar.



Blake WANG

Blake WANG specializes in financial regulation and compliance, asset management, M&A, and general corporate matters. He assisted multiple international financial institutions in establishing or investing in PRC entities, and advised asset managers and proprietary trading firms in relation to PRC financial markets. Before joining Fangda, Blake worked for another leading PRC firm focusing on asset management and M&A. Blake also worked at the head office of the Bank of China from 2010 to 2011.



Rena LIU

Rena LIU specializes in M&A, private equity, joint ventures, cross-border transactions, financial regulation and compliance, asset management, and general corporate matters. She assisted multiple international financial institutions in establishing and investing in PRC entities, and advised asset managers and proprietary trading firms on PRC financial markets. Before joining Fangda, Rena worked for two leading international law firms.



Yvonne CHEN

Yvonne CHEN specializes in complex M&A transactions, foreign direct investment, regulatory filing, and capital market matters in financial, auto, chemical, real estate and pharmaceutical industries. She has extensive experience in advising on M&A transactions between SOEs and MNCs and in representing MNCs in setting up joint ventures and WFOEs in China. Before joining Fangda, she worked at a European chemical company and at a major US firm.



Yanhua LIN

Yanhua LIN has extensive experience in court proceedings, arbitrations and administrative investigations in relation to finance and asset management. She has frequently represented clients before domestic administrative bodies and courts and before domestic and international arbitration tribunals. Before joining Fangda, she worked at an international law firm. She is a member of both the PRC Bar and New York State Bar and holds a master's degree in common law in Hong Kong.



Allan CHEN

Allan CHEN has extensive litigation and arbitration experience in the financial and commercial fields. In the context of asset management, he has assisted clients to resolve a wide range of disputes, including, but not limited to, fundraising disputes, general and limited partner disputes, external investment disputes, liquidation disputes, and custody disputes. He advises foreign investors, state-owned and private securities firms, banks, fund management companies, and private fund managers.



Gil ZHANG

Gil ZHANG is a leading lawyer specializing in data and privacy protection and network security, with extensive experience in data protection and network security in China and international data protection compliance (such as EU GDPR, and data protection laws in the US and in Asia-Pacific countries). He has participated in the formulation and the legislative discussion of many important regulations and national standards. Before joining Fangda, he worked as Asia-Pacific legal counsel and chief compliance officer of a medical and scientific research devices manufacturing company based in Singapore and listed in the US, where he was responsible for compliance, regulatory and government enforcement matters in China and many other Asia-Pacific countries.

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