

An Introduction to the New Capital Investment Entrant Scheme (the “New CIES”)

The information is
for reference only



Heng An
Standard Life
恒安標準人壽

more
academy

25 years of excellence with our Sino-UK heritage

Disclaimer and Important Notes

- This document is for internal reference only. The contents of this document may not be reproduced or redistributed to any third party without the prior consent of Heng An Standard Life (Asia) Limited (“HASL Asia” or the “Company”).
- Investment involves risks. It is important to note that the capital value of investments and the income from them may go down as well as up and may become valueless and investors may not get back the amount originally invested. The past performance contained in this document is not a reliable indicator of future performance. whilst any forecasts, projections and simulations contained herein should not be relied upon as an indication of future results.
- This document is for general information purposes only and the data and contents contained and/or provided are for general information and reference only. In the preparation of this document, it has not been prepared with regard to any particular client or purpose, nor has it taken into account any investment objectives, financial situation or personal circumstances or needs of any particular client. This document does not constitute and is not intended to be, and should not be construed as, financial, investment, tax, legal, professional advice or any other recommendation. None of the data and contents contained and/or provided should constitute an offer, solicitation, invitation, recommendation and inducement of any products (including but not limited to insurance products) or services. This document should not be used or relied upon by any person to make any decision. HASL Asia shall not be liable for any losses, damages or other consequences of any kind whatsoever that you or any other person may incur or suffer as a result of, resulting from or in connection with the use of or reliance on this document and the opinions and/or data provided herein by such person or you. Any person must make his/her own assessment of the relevance, accuracy and adequacy of the data, projections and/or opinions contained in this document, and make such independent investigations as he/she deems necessary or appropriate in relation to such assessment. No one should rely on the data and contents contained and/or provided herein, nor should they make any decision solely based on this document. If you are in any doubt about the contents of this document, you should seek independent professional advice. Before making any investment decision, any person should read the relevant product offering documents carefully for details, in particular the risk disclosure statements and risk warnings contained therein.
- The information contained in this document has been prepared based on sources believed to be reliable by HASL Asia but such sources have not been independently verified. Accordingly, HASL Asia does not represent or warrant, either expressly or impliedly, any warranty, representation or guarantee as to the accuracy, validity, timeliness, completeness or correctness of this document and the opinions and/or information provided herein. Some of the statements in this document may be considered forward-looking statements, which provide current expectations or projections of future events, and therefore undue reliance should not be placed on such information. The forecasts and opinions expressed in this document are for general illustrative purposes only and are not stand-alone research reports and do not constitute investment advices or guaranteed returns. All opinions, forecasts and estimates are the judgments made by HASL Asia prior to the publication date of this document, and HASL Asia undertakes no obligation to update the opinions and/or data provided in this document, whether as a result of new information, future events or otherwise, and also undertakes no obligation to update the reasons why actual results differ from those anticipated in the forward-looking statements. The contents of this document are subject to change without notice.
- For all relevant details of the New Capital Investment Entrant Scheme (the “New CIES” or the “Scheme”), please contact Invest Hong Kong (“InvestHK”) and the Immigration Department (“ImmD”) for enquiries:
Invest Hong Kong:
<https://www.newcies.gov.hk/en/index.html>
Immigration Department:
<https://www.immd.gov.hk/eng/services/visas/newcies.html>
- This document is published by HASL Asia and has not been reviewed by the Securities and Futures Commission of Hong Kong.
- The data provided in this document are as at 31 October 2024.

©2024 Heng An Standard Life (Asia) Limited. All rights reserved. Reproduction is prohibited.

Heng An Standard Life (Asia) Limited (“HASL Asia”)

With over a quarter-century of presence in Hong Kong and extensive experience in Asia, Heng An Standard Life (Asia) Limited (“HASL Asia”) specialises in wealth management insurance solutions. We distinguish ourselves as an outstanding insurer capable of onboarding customers from the region who seek to invest in Hong Kong and worldwide through our investment-linked assurance schemes (“ILAS”) which are permissible investment assets under the New CIES.

Upholding our brand proposition, “Get more from life”, we are committed to offering more to customers with wealth-focused insurance solutions, accompanied by professional financial services offered by third-party experts, catering to customers’ financial needs under the New CIES.

The New CIES



Implementation of the “New CIES” in 2023



An applicant must possess net assets of not less than HK\$30 million to which he/she is absolutely beneficially entitled throughout the two years preceding the application, and invest a minimum of

HK\$30 million in the permissible investment assets:

A minimum of HK\$27 million in the permissible financial assets and non-residential real estate



HK\$3 million into a New CIES investment portfolio to support the development of innovation and technology industries and other strategic industries

Advantages of Obtaining Approval-in-Principle under the New CIES



An applicant may bring his/her dependants (including spouse and unmarried dependent children aged under 18 years) to Hong Kong. Permission to stay will normally be granted to them for not more than two years.



After expiry, they may apply for an extension of stay for not more than three years upon the expiry of each three-year period.



The applicant and his/her dependants may, upon a period of continuous ordinary residence in Hong Kong of not less than seven years, apply to become Hong Kong permanent residents in accordance with the law.



If an applicant is unable to fulfill the continuous ordinary residence requirement, while continuously satisfying the financial requirements under the New CIES for not less than seven years, he/she may apply for an unconditional stay in Hong Kong.



If the application is approved, the applicant will be free to dispose of the assets invested under the New CIES.

Permissible Financial Assets under the New CIES

- (a) Equities - shares of companies that are listed on the Stock Exchange of Hong Kong (“SEHK”) and traded in Hong Kong Dollars (“HKD”) or Renminbi (“RMB”).
- (b) Debt securities -
 - (i) debt securities listed on the SEHK and traded in HKD or RMB (including debt instruments issued in Hong Kong by the Ministry of Finance of the People’s Republic of China and local people’s governments at any level in the Mainland);
 - (ii) debt securities denominated in HKD or RMB, including fixed or floating rate instruments and convertible bonds issued or fully guaranteed by designated bodies.
- (c) Certificates of deposits - certificates of deposits denominated in HKD or RMB issued by authorised institutions as defined in the Banking Ordinance with a remaining term to maturity of not less than 12 months at the time of acquisition, subject to a cap of 10% (i.e. HK\$3 million) of the minimum investment threshold.
- (d) Subordinated debt - subordinated debt denominated in HKD or RMB issued by authorised institutions in compliance with the Banking (Capital) Rules.
- (e) Eligible collective investment schemes -
 - (i) Securities and Futures Commission (“SFC”)-authorised funds managed by corporations licensed by or institutions registered with the SFC for Type 9 regulated activity;
 - (ii) SFC-authorised real estate investment trusts managed by corporations licensed by or institutions registered with the SFC for Type 9 regulated activity;
 - (iii) SFC-authorised Investment-Linked Assurance Schemes issued by insurers permitted to carry on Class C business as specified in the Insurance Ordinance.**
- (iv) Open-ended fund companies (“OFCs”) registered under the Securities and Futures Ordinance and managed by corporations licensed by or institutions registered with the SFC for Type 9 regulated activity.
- (f) Ownership interest in limited partnership funds (“LPFs”) registered under the Limited Partnership Fund Ordinance, and non-residential real estate.
- (g) Non-residential real estate, whether commercial and/or industrial (including pre-completion properties and excluding land) in Hong Kong, subject to a cap of HK\$10 million.



Application Procedures

Procedures	Steps	InvestHK	ImmD
1	 Net Asset Assessment		
2	 Entry Application - Approval-in-Principle		
3	 Assessment on Investment Requirements		
4	 Entry Application - Formal Approval		
5	 Assessment on Portfolio Maintenance Requirements		
6	 Extension of Stay		
7	 Permanent Residence/ Unconditional Stay		

1



Net Asset Assessment

- An applicant is required to first approach New CIES Office for verifying whether he/she has fulfilled the net asset requirement.
- The applicant is required to engage a Certified Public Accountant (Practising) to assist in demonstrating his/her fulfillment of Net Asset Requirement and submit an application for Net Asset Assessment with provision of the fulfillment document and all relevant supporting documents stated therein.
- No more than 14 calendar days may elapse between the date of issuance of the Fulfillment document and the date on which the applicant lodges his/her application for Net Asset Assessment.
- Upon New CIES Office's verification that the applicant has fulfilled the net asset requirement, New CIES Office will issue a relevant certifying proof to the applicant and notify Director of Immigration of the result.

Source: InvestHK

2



Entry Application - Approval-in-Principle

- An applicant is required to submit to the Immigration Department a visa/entry permit application within the validity period of the certifying proof for fulfillment of net asset requirement.
- Upon completion of assessment by Immigration Department, it will give Approval-in-Principle to the applicant.
- The applicant may be granted with a visa/entry permit for entering Hong Kong on visitor status for not more than 180 days for making the committed investment within the period.

Source: Immigration Department



Assessment on Investment Requirements

- An applicant must make investment of a minimum of HK\$30 million net (or equivalent in foreign currencies) in the permissible investment assets.
- An applicant has met the investment requirements if he/she:
 - has invested within and thereafter throughout the period beginning on the launch date of the Scheme (i.e. 1 March 2024) or the 180th day before his/her application is lodged for “Net Asset Assessment”, whichever is later, and ending on the day his/her application is lodged for “Net Asset Assessment”; or
 - has invested within and thereafter throughout the period beginning on the launch date of the Scheme or the 180th day before his/her application is lodged for “Net Asset Assessment”, whichever is later, and ending on the 180th day after “Approval-in-Principle” has been granted by Director of Immigration; or
 - has invested within and thereafter throughout the period beginning on the day when “Approval-in-Principle” has been granted by Director of Immigration and ending on the 180th day thereafter;

not less than HK\$30 million net (or equivalent in foreign currencies) in permissible investment assets to which he/she is absolutely beneficially entitled.

- Upon completion of making the committed investment within the specified investment timeframe, the applicant is required to approach New CIES Office for verifying whether he/she has fulfilled the investment requirements.
- The applicant is required to engage a Certified Public Accountant (Practising) to assist in demonstrating his/her fulfillment of the investment requirements and submit an application and all relevant supporting documents stated therein.
- Upon verification, New CIES Office will issue a relevant certifying proof to the applicant and notify Director of Immigration of the result.

Source: InvestHK



Entry Application - Formal Approval

- Upon completion of the committed investment and acquisition of the certifying proof for fulfillment of investment requirements issued by New CIES Office, an applicant is required to submit the said document to the Immigration Department within its validity period.
- The Immigration Department will continue assessing the entry application for visa/entry permit.
- Upon completion of assessment by Immigration Department, formal approval will be granted to the applicant.
- Permission to stay in Hong Kong will normally be granted to the applicant and his/her dependants (if any) for not more than 24 months on time limitation only, subject to the condition that the applicant continues to satisfy the requirements of the Scheme throughout this period.

Source: Immigration Department



Assessment on Portfolio Maintenance Requirements

- An applicant must deposit his/her permissible financial assets into a designated account operated by an eligible financial intermediary (only one account per financial intermediary is permitted).
- The applicant must not reduce the committed investment while permitted to stay in Hong Kong under the Scheme.
- The applicant is required to engage a Certified Public Accountant (Practising) to assist in demonstrating his/her fulfillment of portfolio maintenance requirements after the first anniversary of the grant of formal approval to the applicant to join the Scheme, and after each subsequent anniversary.
- The applicant is required to submit the fulfillment document and all relevant supporting documents stated therein within one month after the first anniversary, and after each subsequent anniversary to New CIES Office.

Rules for the New Capital Investment Entrant Scheme

Invest Hong Kong (“InvestHK”) & Immigration Department (“ImmD”)

7. Changes in the Value of Investment

7.1 The Applicant/Entrant is not required to top-up the value of his investment in Permissible investment assets should its Market value fall below the requisite minimum level of HK\$30 million Net even in the event of a total loss.

7.2 With the exceptions for the amount required to redeem his outstanding mortgage on non-residential real estate, Surplus Equity, and cash dividend income, interest income and rents arising directly from the Permissible investment assets, if any, the Applicant/Entrant is not allowed to withdraw or remove any appreciation from his Permissible investment assets under the Scheme even if the subsequent Market value of those assets rises above the requisite minimum level of HK\$30 million Net. In other words, subject to those exceptions, the investment that qualifies the Entrant’s entry to Hong Kong and continued stay in Hong Kong will be ring-fenced within the Scheme and must be reinvested under the Scheme Rules.

6



Extension of Stay

- InvestHK will issue a relevant certifying proof to an applicant and notify Immigration Department of the result.
- Upon satisfaction of Director of Immigration from immigration perspectives that the applicant and his/her dependants, where any, still meet the eligibility criteria under the Scheme, extension of stay for not more than three years will normally be granted to the applicant and his/her dependants, where any.
- Subsequent applications for extension of stay for not exceeding three years are subject to the same application procedures.

Source: Immigration Department

7



Permanent Residence/ Unconditional Stay

- An applicant and his/her dependants may apply to become permanent residents of Hong Kong after a period of continuous ordinary residence in Hong Kong of not less than seven years and subject to any other relevant requirements under the Immigration Ordinance (Cap. 115 of the Laws of Hong Kong).
- Some applicants may not be able to fulfill the continuous ordinary residence requirement even though they have satisfied the financial investment requirements under the Scheme for seven years. They may apply for unconditional stay (which permits entry and stay in Hong Kong without being subject to any conditions or limit of stay) following the end of the seventh year.

Source: Immigration Department

Additional Notes

- An applicant is required to demonstrate that he/she has net assets or net equity to which he/she is absolutely beneficially entitled with a market value of not less than HK\$30 million net (or equivalent in foreign currencies) throughout the two years preceding the date he/she lodged his/her application for Net Asset Assessment of the Scheme.
- In respect of an applicant's investment in permissible financial assets, an applicant is required to make a declaration to Director-General of Investment Promotion of InvestHK ("DGIP") every 12 months and as and when required by DGIP to confirm that he/she is, and has remained the absolute beneficial owner of assets in the designated account.
- An applicant must keep a contemporaneous record in writing of every change to his/her permissible investment assets and may be required to provide this record to the New CIES Office before he/she submits application for extension of stay or unconditional stay to Immigration Department.
- An applicant shall provide all such information as may be required by the New CIES Office from time to time to establish his/her eligibility and entitlement under the Scheme.
- An applicant is permitted to switch between permissible financial assets and non-residential real estate only if the entire proceeds from the disposal or realisation of the assets based on market value are reinvested.
- An applicant must notify the New CIES Office in writing within seven working days after the completion of realisation and acquisition transactions respectively. The applicant is also required to provide all supporting documents showing the change of composition of permissible investment assets.

Source: InvestHK

Benefits of Choosing HASL Asia's ILAS to be a Permissible Investment Asset under the New CIES



Heng An
Standard Life
恒安標準人壽

1

Advantageous Background

HASL Asia takes pride of our unique blend of Eastern and Western heritage inherited from our Mainland China and UK background. Leveraging an open platform for global investment business, HASL Asia has successfully collaborated with family offices and renowned domestic and international fund companies, including the world's top 10 fund companies in terms of assets under management.

Additionally, we continue to develop new partnerships to enrich our investment product choices, helping customers diversify asset allocation in Hong Kong, Mainland China and the rest of the world, while creating business opportunities for fund management companies. With our strong network, solid strength and abundant ILAS investment choices, we are able to empower New CIES applicants to improve efficiency in wealth planning.

2

Compelling Propositions

The New CIES has expanded the scope of permissible investment assets. As the investment-linked assurance scheme (ILAS) provides life protection in addition to investment, one policy can meet both investment and life protection needs. The long-term nature of the product caters to customers who intend to immigrate to Hong Kong with an investment term of at least 7 years, facilitating their long-term financial management and asset succession planning.

HASL Asia is not only a leading wealth-centric insurer, but also the top insurer with the most ILAS investment choices in Hong Kong, with a market share of 40% in the single premium ILAS market through the broker channel last year. In terms of ILAS investment choices, there are more than 310 investment choices in total managed by over 28 fund companies.

In support of HKSAR Government's policy, HASL Asia's ILAS has been opened for New CIES applicants, garnering immense popularity among them.

Why HASL Asia ILAS as permissible investment assets under the New CIES?

- **Diversified choices:**

HASL Asia is among the insurance companies in Hong Kong that offers the most investment-linked insurance investment choices^{*}, with a total of over 310 investment choices covering various asset classes. These options include cash dividend, money market, and balanced investment choices. The policy currency options also include USD, HKD, EUR, GBP, JPY, AUD, and RMB. Investment choices and types will be added from time to time, providing a diverse range of investment choices for New CIES applicants.

- **Time efficiency:**

New CIES applicants can access through one ILAS policy a wide range of investment choices corresponding to the approved underlying funds regulated by the relevant authorities. There is no need for separate applications for each fund, resulting in a streamlined and time-efficient process.

- **Easy management:**

Managing investment choices under the policy is hassle-free, as no separate investment declarations are required. This streamlined process ensures convenience for customers. Moreover, our online portfolio platform, In+, provides a user-friendly interface to easily track and monitor the performance of their chosen investment choices portfolios.

- **Cost-efficient solution:**

Our policies offer customers unlimited free investment choice switches, providing the flexibility needed for New CIES applicants with a 7-year minimum investment period. This allows customers to adapt to changing market conditions without any extra costs. Additionally, ILAS is well-suited for long-term investments, making it an ideal choice for New CIES applicants.

- **Cash dividend investment choices:**

There is a growing demand for cash dividend investment choices, and we currently offer 70 cash dividend investment choices. Customers have the flexibility to withdraw cash dividends generated from their investment choices, and such withdrawals do not impact the New CIES investment requirements.

- **Global investment opportunities:**

Within the insurance framework, customers can seize global investment opportunities through diversified asset allocation, free from the limitations imposed by geography, currency or investment types.

- **Seamless inheritance:**

Once the application of permanent resident is approved, our policies offer the flexibility to transfer the policyholder or life insured as required (subject to terms and conditions). This feature greatly simplifies asset inheritance planning, ensuring a smooth transition of assets.

^{*} As of 31 October 2024

One-stop services

- **Extensive support:**

Leveraging our extensive network, we offer comprehensive assistance to facilitate successful settlement of New CIES applicants in Hong Kong. Our support encompasses various referral services, including accredited accountants for asset auditing, immigration advisory services, trust and tax consultations, legal advice, and assistance with educational arrangements for family members in Hong Kong.

- **Dedicated customer hotline:**

We have set up a dedicated “CIES Prestige Hotline: +852 2169 0300” to offer our New CIES customers personalised and convenient service, guaranteeing a premium experience.

- **CIES reporting:**

As a financial intermediary, we strictly follow the guidelines of the New CIES and assist customers in fulfilling their reporting requirements to the InvestHK when necessary.

- **Innovative platform:**

We are proud to introduce In+, our WealthTech online portfolio platform designed to elevate customer experience. With In+, users gain access to professional portfolio references, empowering them to make informed investment decisions and build their own customised investment portfolio.

- **Streamlined management:**

In+ revolutionises portfolio management for ILAS with its user-friendly and comprehensive interface. Through advanced features, In+ streamlines the portfolio management process, enabling users to strategically navigate and maximise their wealth growth with ease, anytime and anywhere.

Find out more

Please contact us or your financial adviser for details.

 cs@hengansl.com.hk

 +852 2169 2600

 hengansl.com.hk

Heng An Standard Life (Asia) Limited (662679) is registered in Hong Kong at 12/F., Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

Authorised by the Insurance Authority of Hong Kong to write Class A, Class C and Class I long-term business in Hong Kong.

©2024 Heng An Standard Life (Asia) Limited, reproduced under licence. All rights reserved.