LLINKS Law Offices

通力律师事务所

Brief Analysis of the New Information Disclosure Measures' Impact on Private Securities Investment Funds

By Sandra Lu | Lily Luo | Yan Tao | Elaine Wang

On 27 February 2026, the China Securities Regulatory Commission ("**CSRC**") promulgated the *Measures for the Supervision and Administration of Information Disclosure of Private Investment Funds* (**"Information Disclosure Measures"**), which will come into force on 1 September 2026. Formulated by the CSRC to implement the *Regulation on the Supervision and Administration of Private Investment Funds*, the Information Disclosure Measures serve as a supporting departmental rule aimed at further standardizing the information disclosure activities of private investment funds, enhancing the transparency of fund operations, and protecting the legitimate rights and interests of investors.

Previously, private fund information disclosure was mainly governed by self-disciplinary rules of the Asset Management Association of China (**"AMAC"**). As a departmental rule at the CSRC level, the Information Disclosure Measures significantly elevate the legal hierarchy of information disclosure regulations. The CSRC may impose administrative penalties or administrative regulatory measures against private fund managers (**"PFMs"**) for illegal or non-compliant information disclosure practices in accordance with the law, in addition to the AMAC's self-disciplinary actions.

Meanwhile, according to the legislative drafting notes, the CSRC will guide and facilitate the implementation of the Information Disclosure Measures. The *Measures for the Administration of Information Disclosure of Private Investment Funds* issued by the AMAC in 2016, along with its supporting rules such as the guidelines on the content and format of information disclosure, are also likely to be revised to align with the latest requirements of the Information Disclosure Measures.

From the perspective of private securities investment funds, this article summarizes and analyzes the key highlights of the Information Disclosure Measures for reference.

I. Transitional Arrangements

According to the legislative drafting notes released by the CSRC alongside the Information Disclosure Measures, the new rules will take effect on 1 September 2026. As from the effective date, private investment funds newly submitted for filing shall comply with the relevant provisions of the Information Disclosure Measures regarding fund contracts and other relevant clauses. For existing private investment funds filed prior to the implementation date, amendments to their fund contracts shall conform to the provisions of the Information Disclosure Measures.

Accordingly, fund contracts of funds established after 1 September 2026 shall be formulated in accordance with the new rules. For existing funds filed before 1 September 2026, we tend to view that: in the event of an amendment to the fund contract, an assessment shall be made as to whether the amended items implicate the provisions of the Information Disclosure Measures. If the amendment falls within the scope regulated by the Information Disclosure Measures, the contract shall be revised in accordance with the new requirements; if not, generally no adjustment is required on such basis.

From a practical perspective, however, considering that the Information Disclosure Measures have introduced several optimizations to information disclosure arrangements, if a PFM intends to adopt such optimized arrangements, they shall be implemented through revision of fund contracts. In such cases, it is recommended that relevant clauses be revised in accordance with the Information Disclosure Measures. In addition, the Information Disclosure Measures have set forth several new provisions on the content of periodic and ad hoc reports. To facilitate PFMs in standardizing their internal operational workflows and disclosure practices, it is also recommended that the information disclosure clauses in fund contracts be updated and refined accordingly in light of the Information Disclosure Measures.

II. Fundamentals of Information Disclosure

Regarding periodic and ad hoc reports, the Information Disclosure Measures have revamped the granularity and timeliness of information disclosure. To clearly illustrate the regulatory evolution from the 2016 *Measures for the Administration of Information Disclosure of Private Investment Funds* to the new Information Disclosure Measures, the core changes are summarized in the table below:

1. Periodic Reports

Report Type	Information Disclosure Measures	Comparison with the 2016 Measures for the Administration of Information Disclosure of Private Investment Funds and Current Practices
Net Asset Value (NAV) Information Disclosure	(1) Disclose information such as the NAV per unit, accumulated NAV per unit and NAV of private securities investment funds to investors on a periodic basis. (2) The disclosure frequency of the NAV per unit and accumulated NAV per unit	Regarding the timeline and frequency of disclosure, the mandatory requirement to disclose a monthly report “within 5 working days after the end of each month” has been removed. Instead, differentiated rules based on the funds’ operational mode (open-ended/closed-ended) are introduced, aligning the frequency requirements more closely with the funds’ actual operational characteristics.

Report Type	Information Disclosure Measures	Comparison with the 2016 Measures for the Administration of Information Disclosure of Private Investment Funds and Current Practices
	of open-ended private securities investment funds shall not be lower than the funds' dealing frequency. Closed-ended private securities investment funds shall disclose the funds' NAV information to investors at least once a quarter.	
Quarterly Report	PFMs shall disclose the quarterly report of private securities investment funds to investors within one month after the end of each quarter. The quarterly report shall include the following information: (a) Basic information of the private fund such as product type, investment scope, investment strategy and investment restrictions; (b) The fund's NAV, fund units and changes thereof at the end of the reporting period, and financial information such as the fund's income, itemized fees and expenses and profits during the reporting period; (c) Information on valuation principles, valuation methods and valuation procedures;	(1) The Information Disclosure Measures have revised the disclosure timeline for the quarterly report of private securities investment funds from ten working days to one month. (2) The Information Disclosure Measures introduce additional disclosure requirements for quarterly reports, as detailed in the red-marked parts in the left column, including: • Dedicated valuation disclosure: The optional disclosure of valuation procedures under the "manager's report" has been segmented into three specific requirements, i.e. valuation principles, valuation methods and valuation procedures. • Refined granularity of portfolio disclosure: Bonds shall be disclosed by credit rating classification, and derivatives shall explicitly state the underlying assets.

Report Type	Information Disclosure Measures	Comparison with the 2016 Measures for the Administration of Information Disclosure of Private Investment Funds and Current Practices
	(d) The asset class, amount and proportion of investments at the end of the reporting period. For equity investments, the portfolio amount and proportion classified by industry; for bond investments, the portfolio amount and proportion classified by credit rating; for derivative investments, the type, amount, and underlying assets of the derivatives; (e) Information on the use of leverage, illiquid assets that cannot be realized at a reasonable price, cross-border investment and other such circumstances; (f) Details of related-party transactions (“**Related-Party Transactions**”) conducted during the reporting period where the PFM utilizes fund assets to transact with itself, investors, other private funds under its management, private funds managed by other PFMs controlled by its actual controller, or other entities with which it holds a material interest. Disclosure shall include the transaction amount,	Compared to the relatively general underlying asset disclosure requirements in the *Regulation on the Administration of Information Disclosure and Information Reporting of Private Investment Funds (Consultation Paper)* (“**Information Disclosure Regulation (Consultation Paper)**”), the final version adopts industry feedback and clarifies the disclosure granularity, making the disclosure requirements more operable. • Dedicated disclosure for the use of leverage, illiquid assets and cross-border investment: Requiring explicit disclosure for these special circumstances. • Dedicated disclosure for Related-Party Transactions: Explicitly requiring the disclosure of the transaction amount, counterparty, transaction price, pricing basis and decision-making procedures. • Look-through disclosure requirements: Funds investing in other private funds or asset management products shall disclose the investment path and the underlying assets on a look-through basis.

Report Type	Information Disclosure Measures	Comparison with the 2016 Measures for the Administration of Information Disclosure of Private Investment Funds and Current Practices
	counterparty, price, pricing basis, and decision-making procedures, etc.; (g) The review opinion of the private fund custodian on the fund's financial information and other relevant information; (h) Major investment risks or circumstances affecting the investment strategy during the reporting period and the corresponding response measures; (i) Other content as stipulated by laws, administrative regulations, the CSRC and agreed in the fund contract. For a private securities investment fund that invests in other private funds or asset management products launched in accordance with the law (excluding publicly offered securities investment funds), when disclosing the asset information in accordance with the provisions of Item (d) above, it shall also disclose the investment path and the underlying asset on a look-through basis.	Compared to the Information Disclosure Regulation (Consultation Paper), the final version provides more explicit requirements on the look-through disclosure of nested investments. Furthermore, Article 13 of the Information Disclosure Measures establishes a corresponding cooperation obligation for the underlying private funds/asset management products, providing regulatory support for the implementation of look-through disclosure. • Introduction of external supervision: Requiring the disclosure of the custodian's review opinion on the financial and other relevant information. • Strengthened risk disclosure: Explicitly requiring the manager to disclose "major investment risks or circumstances affecting the investment strategy during the reporting period and the corresponding response measures".

Report Type	Information Disclosure Measures	Comparison with the 2016 Measures for the Administration of Information Disclosure of Private Investment Funds and Current Practices
Annual Report	PFMs shall disclose the annual report of private securities investment funds to investors within four months after the end of each year. The annual report shall include the following information: (a) Information required to be disclosed in the quarterly report; (b) The annual financial report of the private fund, which shall include a dedicated explanation of Related-Party Transactions. Where an external audit is required by applicable rules, the external audit opinion shall be disclosed concurrently; (c) The manager's report, including the basic information of the PFM, an explanation of the investment strategy and performance, etc.; (d) The private fund custodian's report; (e) Other content as stipulated by laws, administrative regulations, the CSRC and agreed in the fund contract.	(1) The Information Disclosure Measures also introduce additional disclosure requirements for the annual report, as detailed in the red-marked parts in the left column, including: • Explicitly stipulating that the annual report shall also cover the elements required in the quarterly report. • Introducing a dedicated disclosure for Related-Party Transactions. • Strengthened risk disclosure: Explicitly requiring the manager's report to explain the investment strategy and performance, replacing the current optional and generic disclosure requirement under the "manager's report". (2) The Information Disclosure Measures do not set out further detailed requirements on the specific content of the custodian's annual report. The supporting rules to be updated and issued by AMAC in the future may clarify the specific disclosure requirements. In addition, with respect to the custodian's annual report included in the annual report, the following two issues are worthy of attention:

Report Type	Information Disclosure Measures	Comparison with the 2016 Measures for the Administration of Information Disclosure of Private Investment Funds and Current Practices
		First, in terms of the format in which such report is provided to investors, it is uncertain whether such report will be provided to investors as a separate report or still remains as a part of the Private Fund Information Disclosure Annual Statements provided in Appendix 3 of the *Guidelines for Contents and Format of Information Disclosure of Private Investment Funds No. 1 (Applicable to Private Securities Investment Funds)*. Secondly, if such report is to be disclosed as a separate document, shall the manager's annual report and the custodian's annual report be directly disclosed by the PFM and the private fund custodian respectively as the information disclosure obligors?

(Table 1)

In addition to the major changes set forth above, the Information Disclosure Measures also clarify the following matters:

(1) Audit Requirements for Annual Financial Reports

Article 21 of the Information Disclosure Measures explicitly stipulates that the annual financial report of a private securities investment fund shall be audited by an accounting firm that complies with the *Securities Law* if the fund falls under any of the following circumstances:

(a) It primarily invests in illiquid assets;
(b) It primarily invests in derivative assets;
(c) It primarily invests in offshore assets (excluding direct investments in offshore standardized assets);
(d) It primarily invests in private funds managed by other PFMs;
(e) Other circumstances as stipulated by the CSRC.

Accordingly, for a QDLP fund investing in offshore assets, if the fund directly invests in offshore standardized assets (e.g., offshore UCITS funds), the audit requirement may be exempted, provided, however, that an audit is still required where local QDLP regulations so require. However, if the fund invests in other types of assets, the aforementioned audit requirement will apply.

(2) Requirements for Preparing Periodic Reports of Newly Established Private Funds

Pursuant to Article 26 of the Information Disclosure Measures, where a private securities investment fund has been established for less than three months, the private fund manager may opt not to prepare the quarterly and annual report for the current period.

During the initial stage of fund operation, the portfolio ramp-up may not yet be completed, making short-term performance and financial data of limited reference value. This exemption therefore provides practical flexibility for PFMs.

2. Ad Hoc Reports and Liquidation Reports

Report Type	**Information Disclosure Measures**	**Comparison with the 2016 *Measures for the Administration of Information Disclosure of Private Investment Funds* and Current Practices**
Ad Hoc Report	Where any of the following events occurs to a private securities investment fund that has or may have a material impact on the interests of investors, the PFM shall promptly prepare an ad hoc report and disclose it to investors within five working days from the occurrence of such event:	(1) The Information Disclosure Measures explicitly stipulate a five working-day timeframe for the disclosure of ad hoc reports of private securities investment funds. (2) The Information Disclosure Measures adjust the circumstances triggering ad hoc information disclosure, as detailed in the red-marked parts in the left column, including:

Report Type	Information Disclosure Measures	Comparison with the 2016 *Measures for the Administration of Information Disclosure of Private Investment Funds* and Current Practices
	(a) Convening of a fund unitholders' meeting, partners' meeting or shareholders' meeting and the resolution matters thereof; (b) Change of the private fund's name or organizational form; (c) Replacement of the PFM or the private fund custodian, or changes of the PFM's name, domicile, legal representative, executive partner or its appointed representative, controlling shareholder or actual controller; (d) Change of material matters such as the portfolio manager, fund term, investment scope, investment strategy, investment structure, valuation method, dividend distribution policy, fee accrual standards and methods, and fund fee rates; (e) Details of material Related-Party Transactions including the transaction amount, counterparty, transaction price, pricing basis and decision-making procedures;	• Explicitly listing the convening and resolutions of fund unitholders' meetings, and changes to the PFM's name/domicile/controlling shareholder as mandatory disclosure matters. • In conjunction with the *Guidelines for Filing of Private Investment Funds No.1 – Private Securities Investment Funds*, where there is a change to matters such as the fund term, investment scope, investment strategy, investment restrictions, dividend distribution policy and fund fees, the PFM shall set a temporary dealing day or adopt other measures to protect investors' redemption rights, unless the change is beneficial to investors. For the procedures for changing the portfolio manager, the PFM shall also inform investors of the change and set a temporary dealing day. Therefore, in these scenarios, in addition to disclosing the ad hoc report within five working days, the PFM shall also comply with the fund contract amendment procedures associated with such changes (e.g., setting a temporary dealing day and performing the amendment filing with the AMAC within ten working days). • Refining the ad hoc information disclosure requirements for

Report Type	Information Disclosure Measures	Comparison with the 2016 *Measures for the Administration of Information Disclosure of Private Investment Funds* and Current Practices
	(f) Occurrence of material adverse events concerning the major underlying assets *(where such events have a material negative impact on the interests of investors, the PFM shall simultaneously explain the relevant reasons and provide risk warnings to investors in the ad hoc report)*; (g) Liquidation of the private fund; (h) Material litigation or arbitration involving the private fund; (i) Imposition of material administrative or criminal penalties on institutions or personnel that have a material impact on the operation of the private fund; (j) Other matters that the PFM deems to have had or may have a material impact on the interests of investors; (k) Other matters as stipulated by laws, administrative regulations, the CSRC and agreed in the fund contract.	material Related-Party Transactions by specifying the key elements to be included in the report, namely the transaction amount, counterparty, transaction price, pricing basis and decision-making procedures. • Explicitly listing the "occurrence of material adverse events concerning the major underlying assets" as a triggering event, and requiring an explanation of reasons and risk warnings where such circumstances have a material negative impact on investors' interests. • Although the Information Disclosure Measures do not explicitly list "triggering of a large redemption" as an ad hoc report matter, such events usually have a material impact on investors' interests. The PFM shall prudently evaluate and fulfill its disclosure obligations on a case-by-case basis under the catch-all provision of "other matters that the PFM deems to have had or may have a material impact on the interests of investors". • The Information Disclosure Measures explicitly list the ad hoc information disclosure requirements for material litigation or arbitration involving the private fund, and delete

Report Type	Information Disclosure Measures	Comparison with the 2016 *Measures for the Administration of Information Disclosure of Private Investment Funds* and Current Practices
		such requirements for material litigation or arbitration involving fund management or custody business. However, based on the catch-all provision of "other matters that the PFM deems to have had or may have a material impact on the interests of investors", material litigation or arbitration related to fund management or custody business that may have a material impact on investors' interests may still trigger ad hoc information disclosure. • Expanding the scope of disclosure for penalty circumstances. The Information Disclosure Measures require the disclosure to be extended to all institutions and personnel that have a material impact on fund operation, no longer limited to the PFMs, actual controllers and senior management personnel as stipulated in the 2016 *Measures for the Administration of Information Disclosure of Private Investment Funds*.
Liquidation Report	The PFM shall promptly disclose the liquidation notice, liquidation report and other material information relating to liquidation to investors. If the private fund's liquidation is delayed due to factors such as the illiquidity of the entrusted assets, the PFM shall promptly explain the reasons to investors.	In addition to the five-working-day ad hoc disclosure requirement triggered by fund liquidation, it should be noted that delayed liquidation caused by the illiquidity of entrusted assets falls under the scope of ongoing information disclosure obligations.

(Table 2)

3. Other Notes on Information Disclosure

(1) Information Disclosure Methods

Pursuant to Article 10 of the Information Disclosure Measures, PFMs shall disclose private fund information to unitholders through non-public methods agreed with the investors, via channels such as mail, email, or websites and mobile clients that have implemented the specific target identification process. This Article explicitly enumerates the information disclosure methods. Accordingly, PFMs that previously relied solely on the information disclosure backup system of the AMAC to conduct information disclosure shall pay close attention to the requirements of the Information Disclosure Measures and adjust their practices.

(2) Requirements on Voluntary Information Disclosure

Pursuant to Article 9 of the Information Disclosure Measures, in addition to the information required to be disclosed in accordance with regulations and the fund contracts, PFMs may voluntarily disclose supplementary information to all investors based on the private funds' investment scope, underlying assets and other circumstances, provided that such disclosure shall not conflict with the mandatory disclosure items, mislead investors, or be conducted on an ad hoc or selective basis for marketing or other purposes.

This Article explicitly stipulates for the first time that, in addition to fulfilling statutory and contractual information disclosure obligations, PFMs may conduct supplementary voluntary information disclosure provided they adhere to the aforementioned basic principles. Special attention shall be paid to the prohibition against ad hoc or selective disclosure driven by marketing motives. For example, if in practice a PFM selectively provides supplementary disclosure materials to a small group of prospective investors to facilitate fundraising, without simultaneously disclosing the same information to all existing investors, such practice would violate the aforesaid requirements.

III. Key Actions for PFMs

1. Amendment of Fund Contracts

(1) Article 8 of the Information Disclosure Measures stipulates that a fund contract shall specify the contact methods for investors to inquire about information disclosure matters, as well as the mechanism to be triggered if the PFM is unable to normally perform its information disclosure obligations. In light of this:

- In addition to setting out the PFM's basic information (e.g. contact person and telephone number) in accordance with the *Guidelines for Private Investment Fund Contracts*, the fund contract shall explicitly designate specific contact methods for information disclosure matters.

- Article 14 of the Information Disclosure Regulation (Consultation Paper) suggests that where a private fund custodian or a private fund service provider identifies material risk events concerning the PFM, such as the loss of capacity for continuous operation or being uncontactable, it shall promptly disclose information to investors through the prescribed methods and the methods agreed in the fund contract. When drafting the mechanism for the PFM's inability to normally fulfill its information disclosure obligations pursuant to Article 8 of the Information Disclosure Measures, PFMs may refer to the regulatory orientation of the Information Disclosure Regulation (Consultation Paper) to explicitly set out the supplementary information disclosure obligations of relevant parties and specific mechanisms under the aforesaid circumstances, so as to ensure the timeliness of information disclosure and protect investors' interests.

(2) Article 12 of the Information Disclosure Measures stipulates that PFMs shall **comprehensively and objectively** disclose the investment and operation risks of the private fund in the fund contract and information disclosure documents, and for private funds with complex structures and higher risks, disclose the risks associated with investment, operation, trading and other aspects in a **prominent and clear** manner. Read in conjunction with Article 8 which dictates that information disclosure mechanisms in the fund contract shall fully account for the characteristics of the private fund such as product type, investment strategy and risk profile, PFMs shall conduct targeted and substantive risk descriptions tailored to the fund's specific investment strategy, operations, and trading activities, and avoid formalistic disclosures.

(3) Article 12 of the Information Disclosure Measures also mandates that PFMs shall inform investors via the fund contract and information disclosure documents that they need to make prudent investment decisions based on their own risk tolerance, fully understand the relevant investment and operation, and bear the investment risks independently. Accordingly, PFMs shall review the relevant documents to ensure this notification is explicitly stated.

2. Establishment and Improvement of Internal Control Policies

(1) Optimizing the Information Disclosure Management Policy

The AMAC's *Measures for the Administration of Information Disclosure of Private Investment Funds* require PFMs to establish a sound information disclosure management policy. The new Information Disclosure Measures build upon this by introducing additional requirements. Compared to the current rules, PFMs should note two key additions: first, the requirement to designate a dedicated department and senior management personnel to be responsible for information disclosure matters; and second, the incorporation of a handling mechanism for investor inquiries regarding information disclosure in the information disclosure management policy.

Furthermore, the Information Disclosure Measures set a significantly higher standard for the retention period of information disclosure-related documents and materials. Such records shall be retained for no less than 20 years from the date of the fund's liquidation completion, substantially increasing the 10-year minimum required under current rules.

(2) Establishing a Management Policy for Non-Public Information

Article 33 of the Information Disclosure Measures introduces a new mandate requiring PFMs to establish a policy for managing non-public information and to strengthen controls over such information.

Accordingly, PFMs shall formulate and implement this policy, which we suggest should cover at least two aspects: first, clearly defining the scope of internal personnel with access to non-public information, their access permissions, and the information circulation mechanism; and second, regulating the provision and disclosure of non-public information to external parties. In practice, scenarios where cooperating institutions request fund information disclosure materials (sometimes including Level 4 Valuation Statement) or where shareholders request access to disclosure-related information shall be brought within the scope of this policy. This is crucial to prevent the risk of relevant institutions or their personnel leaking non-public information obtained through their positions, or utilizing such information to engage in, or explicitly or implicitly induce others to engage in, relevant securities or futures trading activities.

IV. Relevant Obligations of Other Entities

1. Information Disclosure Obligations of Private Fund Distributors

Pursuant to Article 4 of the Information Disclosure Measures, where a private fund distributor is appointed by a PFM to disclose private fund information, it shall disclose relevant information to investors truthfully, accurately, completely and in a timely manner in accordance with laws, regulations, the fund contract, and the distribution agreement. A PFM shall not be exempted from its own information disclosure obligations by engaging a private fund distributor to make disclosure.

PFMs shall promptly provide the distributors with the information to be disclosed, and the distributors are prohibited from altering the information provided by the PFMs.

Accordingly, in practice, when a PFM engages a distributor for information disclosure, it shall ensure the timely provision of the information while simultaneously exercising necessary supervision and management over the distributor's disclosure practice. After all, the ultimate liability for information disclosure shall rest with the PFM.

2. Information Disclosure Obligations of Private Fund Custodians

Under the Information Disclosure Measures, private fund custodians shall perform private fund information disclosure duties related to their custody business, which specifically include:

(1) Information Disclosure and Reporting Obligations

Private fund custodians shall perform information disclosure duties such as disclosing the fund custody agreement, regularly issuing the fund custodian's report, conducting timely review and verification of information such as the financial status of private securities investment funds, and issuing review opinions. Regarding the custody agreement, we understand that if no separate custody agreement is signed, disclosing the fund contract will suffice; if a separate custody agreement exists, it shall be disclosed to investors. Additionally, the custodian shall regularly issue the custodian's report. As indicated in Table 1 above, the specific format and content of the custodian's report may be further refined and clarified if the AMAC issues or updates supporting implementation rules.

(2) Review, Verification and Confirmation Obligations

Private fund custodians shall promptly review and verify the fund's cash positions, securities ledgers, NAV, subscription and redemption prices, as well as the fund's financial information contained in information disclosure documents. They shall also promptly verify the receipt of subscription funds, the payment of redemption proceeds, and the payment and receipt of investment capital, and provide written or electronic confirmation to the PFMs.

We note that, compared to the Information Disclosure Regulation (Consultation Paper), the Information Disclosure Measures further refine the custodian's review and verification duties. Beyond verifying NAV and subscription/redemption prices, the Information Disclosure Measures explicitly require the review of cash positions and securities ledgers and other such information. Moreover, the Information Disclosure

Measures emphasize that custodians shall verify capital flows (subscriptions, redemptions, and investments) and confirm the verification results to the PFM in writing or electronically.

PFMs shall provide the private fund custodians with the information necessary for such review and verification, and subsequently disclose to investors the relevant information of private securities investment funds as reviewed and verified by the custodians.

(3) Obligation to Alert and Report Risk Events

Where a private fund custodian identifies a valuation error, it shall prompt the PFM to immediately correct it and take reasonable measures to prevent further losses. If a material valuation error or significant valuation deviation is found and the PFM refuses to correct it, the custodian shall prompt the PFM to fulfill its information disclosure obligations according to the law, and shall report the matter to the AMAC and the relevant CSRC local branch.

Where a custodian identifies circumstances regarding the PFM or the fund that have caused or may cause a material negative impact on investors' interests, it shall timely prompt the PFM to fulfill its disclosure obligations. If the custodian suspects the PFM of embezzling or misappropriating fund assets, or notes that the PFM has become uncontactable, it shall promptly report to the AMAC and the relevant CSRC local branch.

Given these new requirements, PFMs shall pay close attention to and accordingly update the custodian's information disclosure duties and relevant provisions when subsequently revising fund contracts, custody agreements, or operational memorandums.

3. Cooperation Obligations of Shareholders and Actual Controllers

Article 32 of the Information Disclosure Measures explicitly stipulates that the shareholders, partners, and actual controllers of PFMs shall cooperate with the PFMs in fulfilling their disclosure obligations. They shall proactively inform the PFMs of matters relevant to the private fund's information disclosure, refrain from concealing facts or providing false information, and shall not organize, instigate, or collude with the PFMs to violate the information disclosure regulations. Articles 36 and 38 further stipulate that violations of Article 32 may result in penalties or administrative regulatory measures imposed by the CSRC.

4. Cooperation Obligations of Invested Private Funds, Lawfully Issued Asset Management Products (Excluding Public Funds), and SPVs

   Article 13 of the Information Disclosure Measures explicitly states that where a private fund invests in other private funds, lawfully issued asset management products (excluding publicly offered securities investment funds), or invests through special purpose vehicles (SPVs), these entities/vehicles shall cooperate when the PFM conducts look-through disclosures as required by regulations.

   Although the final version of the Information Disclosure Measures removed the Information Disclosure Regulation (Consultation Paper)'s requirement to explicitly incorporate a mechanism facilitating underlying asset disclosure into the invested targets' contracts, the aforesaid entities/vehicles still bear an obligation to cooperate.

If you would like to know more information about the subjects covered in this publication, please contact:

Sandra Lu
+86 21 3135 8776
Sandra.lu@llinkslaw.com

Lily Luo
+86 21 3135 8732
lily.luo@llinkslaw.com

Yan Tao
+86 21 3135 8755
yan.tao@llinkslaw.com

Elaine Wang
+86 21 3135 8752
elaine.wang@llinkslaw.com

SHANGHAI

19F, ONE LUJIAZUI
68 Yin Cheng Road Middle
Shanghai 200120 P.R.China
T: +86 21 3135 8666
F: +86 21 3135 8600

BEIJING

30F, Central Tower, China Overseas Plaza, 8 Guanghuadongli,
Chaoyang District
Beijing 100020 P.R.China
T: +86 10 5081 3888
F: +86 10 5081 3866

SHENZHEN

18F, China Resources Tower
2666 Keyuan South Road,
Nanshan District
Shenzhen 518063 P.R.China
T: +86 755 3391 7666
F: +86 755 3391 7668

HONG KONG

Room 3201, 32/F, Alexandra House
18 Chater Road
Central, Hong Kong
T: +852 2592 1978
F: +852 2868 0883

LONDON

1/F, 3 More London Riverside
London SE1 2RE
United Kingdom
T: +44 (0)20 3283 4337
D: +44 (0)20 3283 4323

www.llinkslaw.com

Wechat: LlinksLaw

WE LINK LOCAL LEGAL INTELLIGENCE WITH THE WORLD