

Dear Valued Customers,

With reference to the consultation conclusions on proposals to implement an investor identification regime (“**HKIDR**”) at trading level for the securities market in Hong Kong and introduce an over-the-counter securities transaction reporting regime (“**OTCR**”) for shares listed on the Stock Exchange of Hong Kong (“**SEHK**”) issued by the Securities and Futures Commission (“**SFC**”) in August 2021, updated client identification data is required to collect from you to fulfil the requirements.

#### Hong Kong Investor Identification Regime (“**HKIDR**”)

Under the HKIDR, China International Capital Corporation Hong Kong Securities Limited (“**CICCHKS**” or “**we**”) would have to ensure that

- (a) a unique identification code, namely the “Broker-to-Client Assigned Number” (“**BCAN**”), be assigned to “Relevant Clients”<sup>1</sup> who have placed or propose to place (i) an on-exchange order or (ii) an off-exchange trade reportable to the SEHK under its rules, in securities listed or traded on SEHK’s trading system; and
- (b) up-to-date client identification data (“**CID**”) has been collected from each Relevant Client and is submitted along with the client’s BCAN (by way of putting the BCAN and CID into a “BCAN-CID Mapping File”) to a data repository to be maintained by SEHK by a prescribed time.

#### Over-the-counter Securities Transactions Reporting Regime

Under the OTCR, we are required to report to the SFC the following activities relating to ordinary shares and real estate investment trusts (collectively referred to as “**shares**” for the purpose of the OTCR) listed on SEHK:

- (a) when we, whether as principal or agent, make a transfer of shares in connection with a transaction not recorded by SEHK as an on-exchange order or required to be reported to SEHK as an off-exchange trade in respect of which stamp duty is chargeable in Hong Kong, except where (i) the transaction is granted stamp duty relief (whether in full or in part) from the Inland Revenue Department, or (ii) the transfer of shares is made in accordance with the terms of a structured product or a derivative, or for the conversion of a depository receipt into shares or vice versa; or
- (b) when there is a deposit to or withdrawal from us, whether as principal or agent, of physical share certificates.

#### **Update of client identification data (Applicable to all clients)**

We are required to obtain the updated CID from you according to the order of priority on the identity document type (i.e. waterfall requirement) as required by the SFC as below:

- (a) Individual clients:
  - (1) HKID Card; (2) National Identification Document; (3) Passport
- (b) Corporate clients:
  - (1) Legal Entity Identifier (“**LEI**”) registration documents; (2) Certificate of Incorporation; (3) Business Registration Certificate; (4) other relevant documents
- (c) Trust account clients:

CID waterfall of trustee should be the same as that of a corporate or individual client as set out above
- (d) Joint account clients:

The CID for all clients named for a joint account should be provided according to the above CID waterfall

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<sup>1</sup> The term “Relevant client” used in this clause shall bear the meanings as defined in the Consultation conclusions on proposals to (1) implement an investor identification regime at trading level for the securities market in Hong Kong and (2) introduce an over-the-counter securities transactions reporting regime for shares listed on the Stock Exchange of Hong Kong issued by the SFC.



Please note that the SFC strictly requires the provision of identity document type according to the above waterfall. You are also required to provide us updated CID from time-to-time to ensure that CID maintained by us is up-to-date.

**Acknowledgement - Update of Client Identification Data  
(Applicable to all clients)**

- I acknowledge that the client identification data provided to CICCHKS is in accordance with the waterfall requirement as required by the SFC and update client identification data will be provided to CICCHKS if there is any change.

*Signed by:* \_\_\_\_\_

*Name of individual:* \_\_\_\_\_

*Account number:* \_\_\_\_\_

*Date:* \_\_\_\_\_(dd/mm/yyyy)