

Wealth Management Connect (WMC) FAQ

General:

Q1 Q: What is Wealth Management Connect?

Ans: The Wealth Management Connect ("WMC") refers to a scheme where eligible residents in the Mainland cities in the GBA and Hong Kong, through a closed-loop funds flow channel established between the banking systems of the two jurisdictions, invest in wealth management products distributed by banks in each other's market.

The WMC consists of the Southbound Scheme and the Northbound Scheme. The Southbound Scheme refers to eligible residents in the Mainland cities in the GBA investing in wealth management products distributed by banks in Hong Kong ("Hong Kong banks") via designated channels. Banks in the Mainland cities in the GBA ("Mainland banks") undertake the cross-boundary funds remittance and transfer, and Hong Kong banks undertake the distribution of eligible wealth management products in Hong Kong. The Northbound Scheme refers to eligible residents in Hong Kong investing in wealth management products distributed by Mainland banks via designated channels. Hong Kong banks undertake the cross-boundary funds remittance and transfer, and Mainland banks undertake the distribution of wealth management products on the Mainland.

The WMC Mainland Partner Bank of the Bank is the China CITIC Bank (CNCB).

Remarks: These enhancements also include expanding the scope of participating institutions to include eligible licensed corporations (LCs) / securities firm and allowing them to distribute investment products and provide relevant services to Southbound / Northbound individual investors. For the purpose of this material, it will focus on relevant overview and implementation arrangements of Hong Kong banks participating in business activities under the Cross-boundary WMC.

Southbound Scheme:

Q2 Q: Am I eligible to apply for the Southbound Scheme?

Ans: Investors participating in the Southbound Scheme should comply with the criteria set out by the Mainland regulatory authorities, including:

1. Aged 18
2. i) have a household registered in any of the 9 mainland GBA cities or you are a resident who has paid social security or personal income tax for 2 consecutive years in any of the GBA cities (Guangzhou, Shenzhen, Dongguan, Zhongshan, Zhuhai, Foshan, Jiangmen, Zhaoqing and Huizhou)
3. i) have at least 2 years of investment experience and

- ii) at the end of each month over the past 3 months, held financial net assets of no less than RMB1 million; and household financial assets of no less than RMB2 million, or your average annual income is not less than RMB400,000 in the last 3 years

Southbound Scheme investors should invest in their personal capacity, but not as joint-name or corporate customers, and not authorize a third party to operate the account. CNCB are responsible for verifying the abovementioned eligibility of the Mainland investors for participating in the Southbound Scheme, the Bank requires the confirmation of the eligibility of investor from CNCB. The Bank should regard an investor eligible as a Southbound Scheme customer only after receiving the confirmation of the investor's eligibility from CNCB and assessing the investor as not being a vulnerable customer ("VC").

Notes: "Vulnerable Customer" has the meaning given to "VC" in Annex 1 to the circular issued by the HKMA on 25 September 2019 entitled "Investor Protection Measures in respect of Investment, Insurance and Mandatory Provident Fund Products" or any equivalent guidance issued by the HKMA from time to time.

Q3 Q: How to open the Bank's Southbound Scheme Account?

Ans: You need to open or possess a valid CNCB's Saving Account (Type I) as a dedicated remittance account. You may open the account by attestation or in person.

If you choose to open the account by attestation, you need to visit the designated CNCB's branches in Mainland (Please refer to the CNCB Mobile App or contact CNCB's hotline at +86 10 84518858 for the designated branches) with the account opening document listed below, and fill-in and sign the application form for opening the CNCB account and the Bank's Southbound Scheme Account under the witness of designated staff.

- A valid proof of identity (i) People's Republic of China Resident Identity Card and ii) Exit-Entry Permit for Travelling to and from Hong Kong and Macao or Passport) and
- Residential Address Proof (Letters or statements issued by government authorities or public utilities companies in the last 3 months stating the customer's name and address) and
- A proof of 2 years of investment experience and
- A proof of household financial assets or a proof of financial net assets or proof that your annual average income in the last 3 years is not less than RMB400,000
- A household registered in any of the 9 mainland GBA cities or you are a resident who has paid social security or personal income tax for 2 consecutive years in any of the GBA cities

If you choose to open the account in person, you need to apply the Southbound Scheme Account via the function of “Wealth Management Connect” in the 「全球簽」小程序 of the CNCB or the designated channel of CNCB. When the eligibility of participating the Southbound Scheme is confirmed, you can bring along the necessary documents and visit the CNCBI branches for account opening at the reserved date (Please click [here](#) to enquire the branch addresses)

Q4 Q: It is a prevailing requirement that Mainland residents should possess a valid 3-month visa for opening a Hong Kong account. Are Hong Kong banks required to comply with such requirement when opening a Southbound Scheme dedicated investment account for Mainland residents?

Ans: The relevant visa requirement is not applicable to opening Southbound Scheme dedicated investment accounts in Hong Kong.

Q5 Q: What are the eligible wealth management products for the Southbound Scheme account?

Ans: The eligible wealth management products includes investment products (excluding investment products listed and traded on the Hong Kong Exchanges and Clearing Limited) and deposits (excluding structured deposits).

Investment Funds

- Non-complex funds domiciled in Hong Kong and authorized by the Securities and Futures Commission (“SFC”) that fall into the following:
 - Primarily investing in Greater China equity; or
 - Assessed by the Bank as low to medium-high risk (high yield bond funds and single emerging market equity funds excluded)
- Wide fund range including equity funds, balanced funds, bond funds, money market funds and sector funds
- Offer a diversified investment objective fund selection with a predominant focus in global and greater china market
- Minimum Investment Amount: Manned channel - HK\$20,000
Through inMotion - HK\$800
- For the list and performance of eligible funds, you can refer to it through “Check out fund list” in the “WMC” function found in inMotion side menu or login to your Personal i-Banking service to find it [*Investments → Investment Funds → Wealth Management Connect Fund*]

Bonds

- There are various types of bonds available, with bonds issued by different governments and enterprises for selection

- To comply with non-retail bonds are distributed relying on the exemptions for prospectus related provisions under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the minimum investment amount is HK\$500,000 or equivalent.

Deposits

- Choice of Hong Kong Dollars, RMB and other foreign currencies (USD, AUD, CAD, EUR, SGD, CHF, GBP, JPY and NZD)
- Flexible deposit tenors and currencies to suit your needs

Q6 Q: What are the service fees and charges for the Southbound Scheme Account?

Ans: Please refer to the Products Service Fees & Charges for the account related Fees & Charges.

Investment Funds: The transaction fee for different funds (Redemption/Switching Fee) may be different. Please refer to the Investment Products Service Fees & Charges and the offering documents of fund for details.

Bonds: Please refer to the Investment Products Service Fees & Charges and the offering documents of the bond for details.

Q7 Q: Can I operate the Southbound Scheme Account via the e-Banking Service?

Ans: You may check the account balance, perform fund transfer within the Southbound Scheme Accounts, perform currencies exchange, set up time deposit, invest in designated investment funds, remit to the paired dedicated remittance account and check e-Statement via the "Wealth Management Connect" Services on inMotion.

Q8 Q: How can I deposit and withdraw funds upon successful opening of the Southbound Scheme Account with the Bank? Is there any daily transaction limit?

Ans: Upon completion of account opening, your dedicated remittance account in Mainland China should have been automatically paired with your Multi-currencies Statement Savings Account (Southbound WMC) with our Bank. Customer can simply submit your southbound remittance instruction via CNCB's APP. Southbound remittance is subject to the aggregate quota under the Southbound Scheme, the individual investor quota and relevant remittance transaction limit of CNCB. Under normal circumstances, if the remittance is received from the remitter bank by our Bank before cut-off time (HKT 5:15pm) on any business day, remittance funds will be credited to your Multi-currencies Statement Savings Account (Southbound WMC) on the same day. "Business day" means a day other than Saturday, Sunday and public holidays in Hong Kong.

You may withdraw funds by simply submitting northbound remittance instructions via inMotion: 'Wealth Management Connect' > 'Remittance'. Maximum outward remittance amount is subject to the "Remittance for Wealth Management Connect" daily transaction limit. You can adjust your daily transaction limit via i-banking. Remittance instructions submitted before cut-off time (HKT 2:30p.m.) on Monday to Friday (excluding public holidays in Hong Kong and Mainland China) will be processed on the same day. Instructions received after cut-off time will be processed on the next business day of Hong Kong and Mainland China. "Business day" means a day other than Saturday, Sunday and public holidays in both Hong Kong and Mainland China. Under normal circumstances, funds remitted will be credited to your dedicated remittance account in Mainland China on the same day or the next business day in both Hong Kong and Mainland China, depending on the handling of the beneficiary bank.

Q9 Q: Is there any quota limit on Southbound Scheme?

Ans: Yes. Currently, the Bank's individual investor quota for each investor under the Southbound Scheme is RMB 3 million. Individual investor quota is calculated on a net basis. If an investor simultaneously selects both a bank and a licensed corporation for investment under Southbound Scheme, the individual investor quota allocated between the bank and the licensed corporation will each be RMB 1.5 million. The net cumulative remittance from the paired CNCB Saving Account (Type I) to the Multi-currencies Statement Savings Account under the Southbound Scheme by each investor should not, at any time, exceed the individual investor quota. Once the net cumulative remittance to the Multi-currencies Statement Savings Account exceeds the upper limit of the individual investor quota, the Bank will refuse to accept such funds.

Besides the individual investor quota, remittances from the Mainland under the Southbound Scheme is subject to an aggregate quota. The aggregate quota is calculated on a net basis. The cumulative net remittance from the Mainland under the Southbound Scheme should not, at any time, exceed the aggregate quota. When the usage of the aggregate quota under the Southbound Scheme reaches its upper limit, Hong Kong banks cannot accept inward remittance from the Mainland and can only proceed with outward remittances back to the Mainland under the Southbound Scheme. The aggregate quota is RMB 150 billion, subject to the latest announcement by the Hong Kong Monetary Authority and the People's Bank of China.

Q10 Q: When is the remaining individual investor quota updated?

Ans: The remaining individual investor is updated only when the Bank has successfully processed your outward or inward remittance instructions.

Q11 Q: How to change my individual investor quota under the Southbound Scheme?

Ans: Please refer to the CNCB Mobile App or contact CNCB's hotline at +86 10 84518858 for details.

Q12 Q: How will my individual investor quota be allocated among banks and licensed corporations?

Ans: The individual investor quota for each investor under the Southbound Scheme is RMB 3 million. If an investor simultaneously selects both a bank and a licensed corporation for investment under Southbound Scheme, the individual investor quota allocated between the bank and the licensed corporation will each be RMB 1.5 million. Each investor under the Southbound Scheme should, at all times, open only one Southbound Scheme Account (dedicated investment account) with one Hong Kong bank and one dedicated remittance account (Mainland) with its mainland partner bank.

Q13 Q: How to close the Southbound Scheme Account?

Ans: If you need to close the Southbound Scheme Account, the wealth management product in the account shall be redeemed first, and remit all the fund back to the dedicated remittance account in Mainland. The Bank shall ensure there is no wealth management products or funds in the Southbound Scheme Account, before performing the Southbound Scheme Account closure. Customer may call our hotline or visit our branches for the Southbound Scheme Account closure. You are also reminded that before you close the dedicated remittance account in the Mainland, you should close the Southbound Scheme Account with the Bank first.

Northbound Scheme:

Q14 Q: Am I eligible to apply for the Northbound Scheme?

Ans: All Hong Kong residents who hold a Hong Kong identity card, including permanent and non-permanent residents, who are assessed by the Bank as not being a Vulnerable Customer can participate in the Northbound Scheme. Northbound Scheme investors should invest in their personal capacity, but not as joint-name or corporate customers, and not authorize a third party to operate the account.

Notes: "Vulnerable Customer" has the meaning given to "VC" in Annex 1 to the circular issued by the HKMA on 25 September 2019 entitled "Investor Protection Measures in respect of Investment, Insurance and Mandatory Provident Fund Products" or any equivalent guidance issued by the HKMA from time to time.

Q15Q: How to open the Bank's Northbound dedicated remittance account?

Ans: The customer should possess the Bank's saving account and visits our branch in person. After the customer's eligibility on the Northbound Scheme has been verified, the Bank may open a new Multi-currencies Statement Savings Account- RMB (Northbound WMC) (regardless of whether such investor already has accounts with the Bank). The Bank will confirm with CNCB that it has verified the eligibility of the investor concerned for the Northbound Scheme as well as confirmed the particulars of the investor, such as his/her dedicated remittance account number (The Multi-currencies Statement Savings Account- RMB (Northbound WMC)). Each eligible investor under the Northbound Scheme should apply to open a dedicated investment account under the Northbound Scheme with the CNCB. The customer needs to travel to the Mainland to complete the account opening procedures, please refer to the CNCB Mobile App or contact CNCB's hotline at +86 10 84518858 for details. Please note that the bank is not the representative or agent of CNCB in Hong Kong.

If the customer already possesses a valid bank account of CNCB in GBA, the customer can designate the existing account via CNCB Mobile App as the dedicated investment account under Northbound Scheme.

Q16 Q: What are the eligible wealth management products for the Northbound Scheme account?

Ans: RMB-denominated deposit products; public fixed income wealth management products and equity wealth management products, with risk rating of "R1" to "R3" (excluding wealth management products for the purpose of cash management); and public securities investment funds with risk rating "R1" to "R4" (excluding commodity futures funds).

Q17 Q: What are the service fees and charges for the Northbound Scheme Account?

Ans: For fees and charges regarding the Multi-currencies Statement Savings Account- RMB (Northbound WMC), please refer to the Products Service Fees & Charges for the account related Fees & Charges.

For the bank account and the dedicated investment account of CNCB in GBA, please refer to the CNCB Mobile App or contact CNCB's hotline at +86 10 84518858 for details.

Q18 Q: Is there any quota limit on Northbound Scheme?

Ans: Yes. Currently. The Bank's individual investor quota for each investor under the Northbound Scheme is RMB 3 million. Individual investor quota is calculated on a net basis. If an investor simultaneously selects both a bank and a securities firm for investment under the Northbound Scheme, the individual investor quota allocated between the bank and the securities firm will each be RMB 1.5 million. The net cumulative remittance from Multi-currencies Statement Savings Account- RMB (Northbound WMC) to the dedicated investment account under the Northbound Scheme by each investor should not, at any time, exceed the individual investor quota. Once the net cumulative remittance from the Multi-currencies Statement Savings Account- RMB (Northbound WMC) to the dedicated investment account exceeds the upper limit of the individual investor quota, the Bank will refuse to remit such funds.

Besides the individual investor quota, remittance to the Mainland under the Northbound Scheme is subject to an aggregate quota. The aggregate quota is calculated on a net basis. The cumulative net remittance to the Mainland through the Northbound Scheme should not, at any time, exceed the aggregate quota. When the usage of the aggregate quota under the Northbound Scheme reaches its upper limit, Hong Kong banks cannot proceed with outward remittance from Hong Kong to the Mainland and can only accept inward remittance back to Hong Kong under the Northbound Scheme. The aggregate quota is RMB 150 billion, subject to the latest announcement by the Hong Kong Monetary Authority and the People's Bank of China.

Q19 Q: How can I deposit and withdraw funds upon successful opening of the Northbound Scheme Account with the Bank? Is there any daily transaction limit?

Ans: Upon completion of account opening, you may deposit RMB to your Multi-currencies Statement Savings Account – RMB (Northbound WMC). This Northbound Scheme RMB Account should have been paired with the dedicated investment account in Mainland China (it will usually take two working days for the pairing after the dedicated investment account successfully opened). Customer can simply submit northbound remittance instruction via inMotion: 'Wealth Management Connect'

> "Remittance". Northbound remittance is subject to the aggregate quota under the Northbound Scheme, the individual investor quota and the "Remittance for Wealth Management Connect" daily transaction limit. You can adjust your daily transaction limit via i-banking. Remittance instructions submitted before cut-off time (HKT 2:30p.m.) on Monday to Friday (excluding public holidays in Hong Kong and Mainland China) will be processed on the same day. Instructions received after cut-off time will be processed on the next business day of Hong Kong and Mainland China. "Business day" means a day other than Saturday, Sunday and public holidays in both Hong Kong and Mainland China. Under normal circumstances, funds remitted will be credited to your dedicated investment account in Mainland China on the same day or the next business day in both Hong Kong and Mainland China, depending on the handling of the beneficiary bank.

If you would like to transfer funds from the dedicated WMC account in Mainland China to your Multi-currencies Statement Savings Account – RMB (Northbound WMC) with our Bank, you may simply submit southbound remittance instruction via CNCB's App. For details, please refer to CNCB's website. Under normal circumstances, if the remittance is received from the remitter bank by CNCBI before cut-off time (HKT 5:15pm) on any business day, remittance funds will be credited to your Multi-currencies Statement Savings Account – RMB (Northbound WMC) on the same day. "Business day" means a day other than Saturday, Sunday and public holidays in Hong Kong.

Q20 Q: When is the remaining individual investor quota updated?

Ans: The remaining individual investor is updated only when the Bank has successfully processed your outward or inward remittance instructions.

Q21 Q: How to change my individual investor quota under the Northbound Scheme?

Ans: Please refer to the CNCB Mobile App or contact CNCB's hotline at +86 10 84518858 for details.

Q22 Q: How will my individual investor quota be allocated among banks and securities firms?

Ans: The individual investor quota for each investor under the Northbound Scheme is RMB 3 million. If the investor simultaneously selects both a bank and a securities firm for investment under the Northbound Scheme, the individual investor quota allocated between the bank and the securities firm will be RMB 1.5 million each. Each investor under the Northbound Scheme should, at all times, open only one dedicated remittance account with one Hong Kong bank and one dedicated investment account (Mainland) with its mainland partner bank.

Q23 Q: How to close the Northbound Scheme dedicated remittance account?

Ans: You need to redeem the wealth management product in the dedicated investment account first, and remit all the fund back to the dedicated remittance account in our Bank, then raise the request to CNCB for the dedicated investment account (Mainland) closure. After closing the dedicated investment account (Mainland), you may visit the CNCBI branches to raise the request of cancelling the dedicated remittance account (Customer cannot close the dedicated remittance account before closing the dedicated investment account in the Mainland).