



Wealth Management Connect - Opportunities in action at CNCBI

On 10 September 2021, the People's Bank of China ("PBoC"), the Hong Kong Monetary Authority ("HKMA") and the Monetary Authority of Macao jointly announced the framework for the pilot Cross-boundary Wealth Management Connect in the GBA. On 28 September 2023, the PBoC, HKMA and relevant regulatory authorities jointly announced that further enhancements would be made to the Cross-boundary WMC, including expanding the scope of Southbound and Northbound eligible wealth management products, increasing the individual investor quota as appropriate and further enhancing promotion and sale arrangements, which are later announced to take effect on 26 February 2024. The nine Mainland cities in the GBA refers to Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoxing.

Advantages of China CITIC Bank International (CNCBI)

China CITIC Bank International (CNCBI), working in synergy with parent China CITIC Bank, is among the first local banks to launch Wealth Management Connect services, providing clients with speedy convenient cross-boundary wealth management services in the Greater Bay Area. CNCBI has been rooted in Hong Kong for nearly a century, and has a long established in GBA area cities such as Shenzhen and Macau, as well as other major economic cities in Mainland. CNCBI deeply understand the cross-border financial management needs of Hong Kong and Mainland customers.



**Diversified products,
covering Investment
Funds, Bonds & Deposits**



**Make your banking fast
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What is Wealth Management Connect?



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.

Southbound Scheme

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.



Greater Bay Area
Open a dedicated remittance account



Closed-loop funds flow
Remit funds to a dedicated investment account in Hong Kong bank according to the remittance limit



Hong Kong/Macau
Invest in eligible wealth management products distributed by banks in Hong Kong and Macao



Greater Bay Area
Invest in eligible wealth management products distributed by banks in Mainland banks



Closed-loop funds flow
Remit funds to a dedicated investment account in Mainland bank according to the remittance limit



Hong Kong/Macau
Open a dedicated remittance account

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 eligible wealth management products on the Mainland.

Northbound Scheme



Am I eligible to apply for the Scheme?

Southbound Scheme

1. Aged 18
2. i) Have a household registered in any of the 9 GBA cities or
ii) A resident who has paid social security or personal income tax for 2 consecutive years in any of the GBA cities
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 my annual average income in the last 3 years is not less than RMB400,000
4. Who are assessed by the Bank as not being a Vulnerable Customer

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.

1. All Hong Kong residents who hold a Hong Kong identity card, including permanent and non-permanent residents
2. 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 should not authorize a third party to operate the account.

Northbound Scheme

How to open the Bank's Scheme Account?



Southbound Scheme

You need to open or possess a valid China CITIC Bank's Saving Account (Type I) as a dedicated remittance account. You may open the account **by attestation** or **in person**.

By Attestation

You need to visit the designated China CITIC Bank's branches with the account opening documents listed below, and fill-in and sign the application form for opening the China CITIC Bank account and the Bank's Southbound Scheme Account under the witness of designated staff.

- A valid identity proof
 - (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

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 China CITIC Bank or
- Apply WMC (Southbound Scheme) via designated channels of China CITIC Bank. 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 on the reserved date



The customer should possess the Bank's Savings Account

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 our Mainland partner bank, China CITIC Bank 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 China CITIC Bank. The customer needs to travel to the Mainland to complete the account opening procedures, please refer to the China CITIC Bank's website for details.

Please note that the bank is not the representative or agent of China CITIC Bank in Hong Kong.

Northbound Scheme



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

Southbound Scheme

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



What are the eligible wealth management products?

Southbound Scheme

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) of below:
 - A. primarily investing in Greater China equity; or
 - B. 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
- Achieving asset allocation and risk diversification objective
- Minimum investment amount: HK\$20,000 in manned channel; HK\$800 via inMotion



Bonds

- Extensive choices of global government and corporate bonds
- Minimum investment amount: 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



Please refer to the CNCBI Website for details.

Northbound Scheme



What are the service fees and charges?

Southbound Scheme

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.



Please refer to the CNCBI Website for details.

Northbound Scheme

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

Southbound Scheme

You may perform the below via "Wealth Management Connect" service on **inMotion**:

- Check 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



How can I deposit and withdraw funds upon successful account opening with the Bank?
Is there any daily transaction limit?



Southbound Scheme

Customer can simply submit your southbound remittance instruction via China CITIC Bank's APP.

- Southbound remittance is subject to **the aggregate quota under the Southbound Scheme, the individual investor quota** and **relevant remittance transaction limit of China CITIC Bank**.

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.





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. 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 China CITIC Bank's App. **For details, please refer to China CITIC Bank'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.

Northbound Scheme

Southbound Scheme

Currently, the maximum individual quota for each investor with the Bank is **RMB 3 million**. Besides, remittances from the Mainland under the Southbound Scheme is subject to an aggregate quota.



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 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. The aggregate quota is **RMB 150 billion**.



Currently, the maximum individual quota for each investor with the Bank is **RMB 3 million**. Besides, remittance to the Mainland under the Northbound Scheme is subject to an aggregate quota.

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 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. The aggregate quota is **RMB 150 billion**.



Northbound Scheme

How to close the Scheme Account?

Southbound Scheme

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.

Customer may call our hotline or visit our branches for the Southbound Scheme Account closure.



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.

After closing the dedicated investment account (Mainland), you may visit the CNCBI branches to raise the request of cancelling the dedicated remittance account.

Northbound Scheme



Risk Disclosure Statements for Investment Funds

(1) Investment Funds are not equivalent to time deposits or its substitute and provide no guarantee of return or yield on investment. (2) Investors should note that investment involves risk and past performance is not indicative of future performance. The price of the Investment Funds may go down as well as up and may become valueless. It is as likely that losses will be incurred rather than profits made as a result of investing in Investment Funds. In the worst case scenario, the value of the Investment Funds may be substantially less than your investment amount. (3) Investors should consider their own investment objectives, financial resources and relevant circumstances, and read the relevant offering document, terms and conditions and risk disclosure statement before making any investment decision. (4) Investors should carefully read the relevant fund's offering documents (including the investment policy and risk factors stated therein) in details before making any investment decision. If needed, investors should seek independent professional advice.

Risk Disclosure Statements for Bonds

(1) Investment involves risk. The prices of bonds can fluctuate, sometimes dramatically. The price of bonds may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling bonds. (2) Investing in this product is not equivalent to time deposit. This product is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong. (3) Default/ Credit risk - There is a risk that the issuer may fail to pay you the interest or principal as scheduled. In the worst case scenario, you may not be able to receive back the interest and principal if the issuer defaults on the bond. (4) Interest rate risk - When the interest rate rises, the price of a fixed rate bond will normally drop. (5) Exchange rate risk - If your bond is denominated in a foreign currency, you may face an exchange rate risk if you choose to convert payments made on bond to your home currency. (6) Liquidity risk - If you need to sell the bonds before maturity for an urgent cash-flow need or use the capital for other investments, you may not be able to do this since the liquidity of the secondary bond market could be low. If you choose to sell your bond before it matures, you may lose part or all of your investment. (7) Reinvestment risk - If you hold a callable bond, when the interest rate goes down, the issuer may redeem the bond before maturity. If this happens and you have to re-invest the proceeds, you may not be able to enjoy the same rates of return. (8) Equity risk - If your bond is "convertible" or "exchangeable", you also face equity risk associated with the stock. A fall in the stock price will usually follow by a fall in the bond price.

Risk Disclosure Statements for Foreign Currency Investment

Foreign currency investments are subject to exchange rate risk which may result in gain or loss. The fluctuation in the exchange rate of foreign currency may result in losses in the event that customer converts the foreign currency into HKD or other foreign currencies. Renminbi is not freely convertible at present. The actual conversion arrangement will depend on the restrictions prevailing at the relevant time.

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