

(Translation version)

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24 January 2024

The Chief Executive
All Registered Institutions

Dear Sir/Madam,

Amendments to Implementation Arrangements for the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area

The Cross-boundary Wealth Management Connect Pilot Scheme (“Cross-boundary WMC”) has been operating smoothly since its official launch in 2021, providing the foundation and the conditions for enhancements of the Cross-boundary WMC. On 28 September 2023, the People’s Bank of China, the National Administration of Financial Regulation, the China Securities Regulatory Commission, the State Administration of Foreign Exchange, the Hong Kong Monetary Authority (“HKMA”), the Securities and Futures Commission of Hong Kong (“SFC”) and the Monetary Authority of Macao 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.

After discussion with other relevant regulatory authorities and consultation with the financial industry, this Circular sets out the amended “Implementation Arrangements for the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area” (“Implementation Arrangements”) for the Cross-boundary WMC between banks in the nine Mainland cities in the

Guangdong-Hong Kong-Macao Greater Bay Area¹ and banks in Hong Kong².

The amended Implementation Arrangements apply to Hong Kong banks participating in business activities under the Cross-boundary WMC, with key amendments including requirements on account opening arrangements, individual investor quota, eligible wealth management products, promotion and sale, etc. Hong Kong banks should ensure that their business activities under the Cross-boundary WMC comply with the requirements set out in this Implementation Arrangements. Guidance in respect of the Southbound and Northbound Schemes for the pilot Cross-boundary WMC is provided in [Annex 1](#) and [Annex 2](#) respectively, as well as the Frequently Asked Questions at the [Appendix](#).

Hong Kong banks should, through a cooperation agreement, to ensure that their Mainland partner banks should comply with the relevant requirements applicable to Mainland partner banks in this Implementation Arrangements. Besides, implementation arrangements applicable to Mainland banks are promulgated accordingly by the regulatory authorities on the Mainland (Please refer to the Implementation Arrangements for the Cross-boundary WMC Pilot Scheme in the Greater Bay Area (《粵港澳大灣區“跨境理財通”業務試點實施細則》) issued by the Mainland regulatory authorities (“Mainland Guidance”) on 24 January 2024). Hong Kong banks should comply with the relevant requirements set out in the implementation arrangements promulgated by the Mainland authorities. In addition to the implementation arrangements of the two places, Hong Kong banks should also continue to comply with all applicable prevailing regulatory requirements (including those issued by the HKMA and the SFC).

Eligible banks in Hong Kong which intend to embark on Cross-boundary WMC activities should put in place systems, internal control measures and operating procedures in accordance with the requirements stipulated in this Implementation Arrangements, notify and submit a self-assessment to the HKMA at least one month prior to the launch of such activities. Upon receiving “no objection” notification from the HKMA, the bank may embark on Southbound Scheme and/or Northbound Scheme activities. Eligible banks in Hong Kong which have already received “no-objection”

¹ In this Circular, Mainland cities in the GBA refers to the Mainland cities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoxing.

² For the avoidance of doubt, the implementation arrangements and specific regulatory requirements of the Cross-boundary WMC described in this Circular does not extend to cover the Cross-boundary WMC activities of securities firms and between the Mainland cities and Macao.

notification from the HKMA for embarking on Cross-boundary WMC activities are not required to notify the HKMA of business adjustments made purely as a result of these amendments³.

The HKMA expects that the enhancements of the Cross-boundary WMC will bring more growth opportunities to Hong Kong's banking and wealth management industry, and strengthen the role of Hong Kong as an international asset management centre. Taking into account the operations of the Cross-boundary WMC, the HKMA and other relevant regulatory authorities will review and enhance from time to time the arrangements for the Cross-boundary WMC.

This Circular will take effect on 26 February 2024. After this Circular has taken effect, it supersedes the HKMA's circular dated 10 September 2021 on "Implementation Arrangements for the Cross-boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area", and the Frequently Asked Questions added on 1 December 2021.

Should you have any questions about this Circular, please contact Ms Ting Wang on 2878-8541, Mr Anfield Ho on 2597-0669, Ms Anita Chan on 2878-1538 or Ms Flora Sze on 2878-1758.

Yours faithfully,

Arthur Yuen
Deputy Chief Executive

Encl.

cc: SFC
(Attn: Ms Christina Choi, Executive Director (Investment Products)
Mr Keith Choy, Interim Head (Intermediaries))

³ For the avoidance of doubt, Hong Kong banks intending to have material changes to their Cross-boundary WMC activities (for example, add new Mainland partner bank(s), add Southbound/Northbound activities) should notify the HKMA.