

Useful Information About Account Opening and Maintenance

Account Opening and Maintenance

Banks in Hong Kong are required to comply with the applicable laws and regulatory requirements, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615), when establishing relationships with customers. Apart from local requirements, some banks also need to comply with the requirements or standards mandated by their head offices or overseas authorities. Banks should conduct customer due diligence (CDD) measures on applicants seeking to open a bank account. The account opening requirements of these banks may therefore vary. If you want to open a bank account, it is worth approaching several banks to compare and select services that suit your needs.

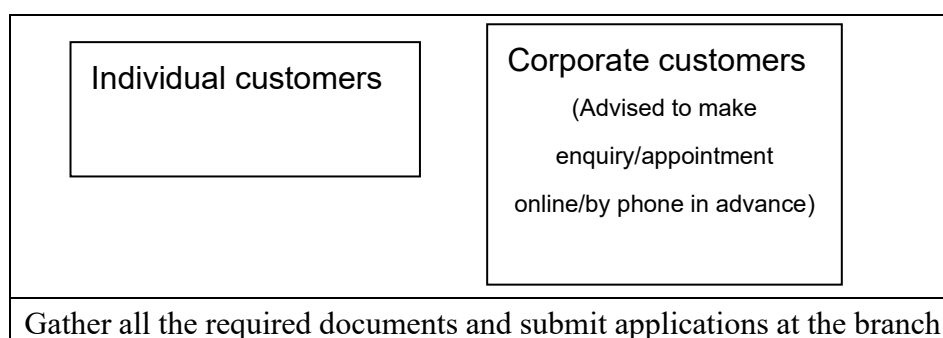
This document aims to provide some information and tips on account opening and maintenance in Hong Kong for the public's reference.

Should you have any opinions or queries about account opening, maintenance or updating account information, please contact the HKMA.

Email: accountopening@hkma.gov.hk

1. Account Opening Process

Banks need to undertake CDD to understand customers' backgrounds and needs before opening bank accounts. This helps banks to provide suitable banking services to their customers. Depending on whether the customer has provided sufficient information to the bank for it to undertake the CDD process, the account opening process can be completed within several days for simple cases.



directly or via internet/mobile applications
Internal approval by the bank
Submit additional documents/information (if required)
Notification of application result by the bank

2. Information Required

Similar to other financial centres, banks in Hong Kong do not have an identical checklist of information required for account opening since individual banks formulate policies in accordance with their own business strategies and risk assessments. Moreover, apart from local requirements, some banks also need to comply with the requirements or standards mandated by their head offices or overseas authorities. The information required for opening accounts with these banks may therefore vary.

In general, banks may obtain the following information or require the relevant original documents when handling applications of personal or corporate bank accounts:

(a) Individual customers:

(i) Identification documents, for example:

- (A) Identity card
- (B) Travel document

(ii) Residential address information:

For the avoidance of doubt, a bank may, under certain circumstances, require verification (on top of collection) of residential address from a customer for other purposes (e.g. group requirements, other local or overseas legal and regulatory requirements). In such circumstances, the bank should communicate clearly to the customer the reasons of requiring verification of address.

Please note that the information required for account opening set out above is for reference only. According to the actual circumstances (such as the backgrounds of the applicants, the requested banking services, etc.) and their risk assessments, banks may require applicants to submit other types of or

additional information and documentation, for example, information and documents related to Foreign Account Tax Compliance Act (FATCA) and Automatic Exchange of Financial Account Information (AEOI), etc. Customers may contact the banks concerned or visit their websites to check for the required information.

- (b) Corporate customers:
 - (i) Corporate identification documents, for example:
 - (A) Certificate of incorporation
 - (B) Report from a company registry
 - (C) Certificate of Incumbency
 - (D) Certificate of good standing
 - (E) Record of registration
 - (F) Partnership agreement of deed or
 - (G) Constitutional document
 - (ii) Information of the address of registered office and principal place of business (if different from the address of registered office)
 - (iii) Information of the beneficial owner(s), for example:
 - (A) Identification document of the beneficial owner(s)
 - (B) Details of the ownership and control structure of the company
 - (iv) Purpose and intended nature of account, for example:
 - (A) Purpose of the account
 - (B) Expected account activities
 - (C) Business nature and mode of operation
 - (v) Information of the person acting on behalf of the customer, for example:
 - (A) Identification document of the person acting on behalf of the customer
 - (B) Authorisation document

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3. What if the application is rejected?

- (a) In general, banks should provide reasons for rejecting account opening applications. Moreover, banks have established a review mechanism for unsuccessful applications. The rejected applicants can ask the banks concerned to re-examine their account opening applications.
- (b) Go to another bank for account opening. Please refer to contact details of banks
- (c) Contact the HKMA (Email: accountopening@hkma.gov.hk) to make comments or enquiries.

4. Updating Account Information

According to international standards in anti-money laundering and counter-terrorist financing (AML/CFT), in addition to undertaking CDD process when handling account opening applications, banks are required to review and update information on existing customers on a regular basis. The frequency and extent of the reviews will depend on the risk profile of the customers concerned. Therefore, you may receive letters from banks requiring you to update customer information or account activities, even though the bank accounts have been maintained for years. Nevertheless, banks should endeavour to assist customers in the process. If customers have difficulties in meeting the information requests of banks, they can call the banks to discuss.

Up-to-date information not only helps banks to protect customers from the risk of fraud and financial crime, but also enables the banks to better understand the needs of the customers and provide the most suitable services and products.

5. Banks should not...

- 1. When conducting CDD measures, banks should not make unreasonable requests to their customers that are disproportionate or irrelevant to risk assessment. These may include, for example:
 - (a) requiring all directors and beneficial owners of an overseas corporate to be present at account opening;

- (b) mandating that all documents of an overseas corporate are certified by a certifier in Hong Kong;
 - (c) requesting a start-up to provide the same degree of detail on its track record, business plan and revenue projections as a long-established company;
 - (d) expecting a Hong Kong business registration certificate for all applicants or evidence of a Hong Kong office for all overseas corporates, irrespective of business model or mode of operation;
 - (e) requiring voluminous or very detailed information on source of wealth sometimes going back decades irrespective of the risks presented by the relationship or type of service offered (e.g. MPF account, basic banking services with small balances) which is difficult or impossible for the customer to provide; and
 - (f) rejecting account opening based on unreasonably high benchmarks such as expected or actual sales turnover.
2. Banks also should not make the purchase of wealth management investment or insurance products or having a large amount of initial deposits as a condition for opening a bank account, or link these activities with the chance of success or processing time of opening of bank accounts.

6. Role of the HKMA

The HKMA works closely with the banking industry and relevant stakeholders to enhance access to basic banking services in Hong Kong. In addition to providing practical guidance to the banking industry, the HKMA also works with banks to introduce initiatives and facilitative measures to address the banking needs of corporates and individuals seeking to open a bank account in Hong Kong. Our aim is to maintain a robust AML/CFT regime in Hong Kong that does not undermine access by legitimate businesses and ordinary citizens to basic banking services.

(a) What has the HKMA done to address the account opening issue?

The HKMA has sustained its dedicated efforts in promoting access to banking services and has been closely engaging with the business community on bank

account opening and maintenance matters. Extensive efforts are undertaken to further assist banks in achieving effective outcomes and enhancing the customer experience in the process of bank account opening and maintenance. These include:

- (i) Engagement with relevant stakeholders, including the business community across different sectors, to have an in-depth and full understanding of the situation, gathering details of specific incidents related to the opening and maintenance of bank accounts, as well as following up on the cases received with banks.
- (ii) Providing practical guidance to banks from time to time, including sharing of observations noted from supervisory processes and good practices of banks, to assist banks in achieving effective outcomes and enhancing customer experience in bank account opening processes.
- (iii) Organising roundtable sessions to bring together banks and the business community to promote useful exchanges on issues of common interest.
- (iv) Requiring banks to enhance the transparency of account opening and CDD process by setting out clearly the information and documentation required for the CDD process, explaining the rationale for the information requested, assisting customers in taking steps or providing alternatives that can help satisfy the CDD process, and introducing review mechanisms for unsuccessful applicants;
- (v) Requiring banks to maintain effective communication with customers by, for example, providing interim updates about the progress of their applications, timely feedback of the results of their applications, and where an application is rejected, the reason for rejection as appropriate; and
- (vi) Requiring banks to provide adequate training to their frontline staff to ensure consistent implementation of the relevant measures.
- (vii) Encouraging banks to launch “Simple Bank Accounts” (or “SBAs”) services to provide an additional option for business customers which require only basic banking services. With narrower service scope, the risks involved in SBAs would be relatively lower and hence less extensive CDD measures would have to be carried out for account opening.
- (viii) Launch of a dedicated email (accountopening@hkma.gov.hk) and hotline (28781133) to facilitate submission of enquiries and feedback to the HKMA, which are handled by a dedicated team of the HKMA and
- (ix) Setting up of a dedicated webpage on the HKMA’s website for providing useful tips for reference by the public. You may wish to visit the dedicated

webpage of the HKMA (<https://www.hkma.gov.hk/eng/smart-consumers/account-opening>) which provides, among others, general information about account opening procedures, documentation and information requirements and contact details of banks in Hong Kong.

(b) What does it mean by banks applying a “risk-based” approach in account opening?

“Risk-based” means that banks should differentiate the risk levels of individual customers in accordance with their backgrounds and circumstances, and apply proportionate risk-mitigating and CDD measures, rather than simply adopting a “one-size-fits-all” approach to all customers in the approval process.

Opinions or queries

If you have any opinions or queries about account opening, maintenance or updating of account information, please contact the HKMA.

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