

(Translation version)

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10 September 2021

The Chief Executive  
All Registered Institutions

Dear Sir/Madam,

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

To further facilitate Hong Kong residents to develop, work and reside in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”), as well as strengthen the convenient flow of people, goods and funds within the GBA, the Leading Group for Development of the Guangdong-Hong Kong-Macao Greater Bay Area, following its plenary meeting on 6 November 2019, announced a series of measures, including exploring the establishment of a cross-boundary wealth management connect scheme (“Cross-boundary WMC”).

On 29 June 2020, 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 WMC in the GBA. This Circular sets out for registered institutions in Hong Kong the implementation arrangements and specific regulatory requirements of the pilot Cross-boundary WMC between the nine Mainland cities in the GBA<sup>1</sup> and Hong Kong<sup>2</sup>.

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

<sup>2</sup> The implementation arrangements and specific regulatory requirements of the Cross-boundary WMC

## Overall principles

The pilot Cross-boundary 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 Cross-boundary 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. The cross-boundary funds remittance and transfer is mainly undertaken by banks in the Mainland cities in the GBA ("Mainland banks"), and the distribution of wealth management products in Hong Kong is undertaken by Hong Kong banks. The Northbound Scheme refers to eligible residents in Hong Kong investing in wealth management products distributed by Mainland banks via designated channels. The cross-boundary funds remittance and transfer is mainly undertaken by Hong Kong banks, and the distribution of wealth management products on the Mainland is undertaken by Mainland banks.

## Implementation arrangements

The HKMA and the PBoC, upon discussion and consultation with the relevant regulatory authorities and the banking industries on the two sides, have established the implementation arrangements for the pilot Cross-boundary WMC. The implementation arrangements set out in this Circular apply to Hong Kong banks participating in business activities under the Cross-boundary WMC.

Hong Kong banks should ensure that their business activities under the Cross-boundary WMC comply with the requirements on investor eligibility, account opening, cross-boundary remittance, quota management, product due diligence, promotion and sale, controls and supervision, staff knowledge and training, complaint handling mechanism, reporting obligations and other requirements set out in this Circular. 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](#).

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described in this Circular does not extend to cover the Cross-boundary WMC activities between the Mainland cities and Macao.

Hong Kong banks should, through a cooperation agreement, remind and set out that their Mainland partner banks should comply with the relevant requirements in this Circular. 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 GBA (《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 10 September 2021). Hong Kong banks should comply with the relevant requirements set out in the Mainland Guidance.

Hong Kong banks should also comply with all the relevant prevailing regulatory requirements (including those issued by the HKMA and the Securities and Futures Commission (“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 Circular, 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.

The HKMA will conduct supervisory work (including but not limited to on-site examinations and off-site surveillance) on the activities of Hong Kong banks under the Cross-boundary WMC, and will follow up with individual institutions where necessary. The HKMA, the PBoC and other relevant regulatory authorities have signed a Memorandum of Understanding on the supervisory arrangements of the Cross-boundary WMC.

It is trusted that the Cross-boundary WMC will create more business opportunities for the financial industry on the two sides, and facilitate cross-boundary investment thereby providing more choices of wealth management products for residents of the GBA. It will also further facilitate cross-boundary funds flows and use of Renminbi. Taking into account the operations of the Cross-boundary WMC, the HKMA and the PBoC will review and enhance from time to time the arrangements for the Cross-boundary WMC.

Should you have any questions about this Circular, please contact Ms Tiffany Tang on 2878-1909, Ms Andrea Chen on 2597-0605, 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 Julia Leung, Deputy Chief Executive Officer and  
Executive Director (Intermediaries)  
Ms Christina Choi, Executive Director (Investment  
Products))