



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

28 March 2025

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

Investor Identification in IPO Subscription Services

I am writing to draw your attention to the guidance from the Securities and Futures Commission (“SFC”) to licensed corporations (“LCs”) regarding investor identification in initial public offering (“IPO”) subscription activities, as set out in its circular to LCs on 20 March 2025 titled “Circular to licensed corporations on IPO subscription and financing services” (“the SFC Circular”).

As outlined in paragraph (a) under the “Other compliance issues” section of the SFC Circular:

- (I) LCs should take reasonable steps to ensure that the client identification data (“CID”) submitted to the Fast Interface for New Issuance (“FINI”) for IPO subscriptions is accurate. These steps include but are not limited to:
- (i) adhering to the waterfall requirements of FINI¹ when submitting CID of applicants for IPO shares;
 - (ii) seeking clients’ confirmations that there are no other identity documents of a higher priority in the waterfall² and maintaining a proper audit trail; and
 - (iii) performing additional verification steps if the information collected during the know-your-client process calls into question the credibility of the confirmations in (ii) above.

¹ FAQ E7 in the FINI Information Pack published by Hong Kong Exchanges and Clearing Limited (“HKEx”) and the circular “Reiteration of IPO Investor Identification Requirement under FINI” issued by Hong Kong Securities Clearing Company Limited on 17 March 2025. The requirements are aligned with paragraph 5.6(o) of the Code of Conduct for Persons Licensed by or Registered with the SFC.

² FAQ E9 in the FINI Information Pack published by HKEx.

(II) LCs should implement reasonable control measures to prevent a client from submitting multiple subscription orders for an IPO through the client's accounts maintained with the same firm.

Registered institutions should have due regard to such requirements and control measures, and put in place adequate policies, procedures and controls, as well as provide sufficient staff training to ensure the compliance with all applicable requirements.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

c.c. SFC (Attn: Dr Eric Yip, Executive Director, Intermediaries)