



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
G16/1C

23 August 2019

The Chief Executive
All Registered Institutions

Dear Sir / Madam,

Update on Requirements for Opening of Accounts Following Amendments to Paragraph 5.1 of the Code of Conduct

As mentioned in the circular issued by the Securities and Futures Commission (“SFC”) to intermediaries on 28 June 2019, the SFC has amended the paragraph 5.1 of the Code of Conduct for Persons Licensed by or Registered with the SFC (“Code of Conduct”) to facilitate new approaches for opening accounts, and has published acceptable account opening approaches on a designated webpage¹ (“SFC’s designated webpage”). The information on the SFC’s designated webpage has superseded the SFC’s previous circulars² and Frequently Asked Questions on client onboarding.

In this connection, I am writing to provide updated guidance in the ensuing paragraphs, which supersedes the circular of the Hong Kong Monetary Authority (“HKMA”) dated 24 August 2018 on “Clarification on Remote Investment Account Opening”.

As set out in the paragraph 5.1 of the Code of Conduct, intermediaries should take all reasonable steps to establish the true and full identity of each of their clients. Where an account opening procedure other than a face-to-face approach is used, it should be one that satisfactorily ensures the identity of the

¹ Please refer to the SFC’s website at <https://www.sfc.hk/web/EN/rules-and-standards/account-opening/>.

² The SFC’s circulars on “Circular concerning know your client and account opening procedures” dated 12 May 2015, “Advisory circular to intermediaries – Client identity verification in account opening process” dated 24 October 2016 and “Circular to intermediaries – Online client onboarding” dated 12 July 2018.

client. The acceptable approaches for opening accounts are published on the SFC's designated webpage.

If a Registered Institution ("RI") has established the true and full identity of a client when opening a bank account irrespective of using face-to-face approach or non-face-to-face approach, the RI is not required to verify the client's identity again when opening an investment account for the client.

If you have any questions on this circular, please contact Ms Phielle Lau on 2878-1750 or Ms Anita Chan on 2878-1538.

Yours faithfully,

Alan Au
Executive Director (Banking Conduct)

c.c. SFC (Attn: Ms Julia Leung, Deputy Chief Executive Officer and Executive Director (Intermediaries))