

12 December 2022

## Circular to Intermediaries Launch of the Hong Kong Investor Identification Regime

Reference is made to the Circular dated [23 September 2022](#) regarding the Hong Kong Investor Identification Regime (HKIDR).

### Timeline of the Implementation

The SFC issued the Consultation Conclusions Paper in August 2021 on proposals to implement the HKIDR and asked market participants to start preparing for the implementation of the HKIDR. Immediately after, the SFC set up a HKIDR dedicated webpage and issued circulars to facilitate the preparation work of Relevant Regulated Intermediaries<sup>1</sup> (RRIs). We have been closely monitoring market readiness for the implementation of the HKIDR by conducting three rounds of survey<sup>2</sup>. While significant progress has been made to prepare for the implementation, the survey results indicated that some RRIs may need more time to update client identification information and obtain express consent from individual clients for the use of their personal data under the HKIDR. Taking account of the above, **the SFC has decided to provide more time for the industry's preparation and now announces to launch the HKIDR on 20 March 2023.**

It should be noted that upon the launch of the HKIDR, RRIs are required to tag the relevant Broker-to-Client Assigned Number (BCAN) to every on-exchange order and off-exchange trade reportable to the Stock Exchange of Hong Kong Limited (SEHK). Orders or trades without BCANs or with BCANs in an incorrect format will be rejected.

### Submission of BCAN-CID Mapping File

Following the successful completion of market rehearsals, RRIs will be allowed to submit the real BCAN and client identification data (CID) of their clients in the BCAN-CID Mapping File to SEHK via SEHK's Electronic Communication Platform (ECP) web interface and/or ECP (SFTP) interface **commencing on 19 December 2022**. RRIs should submit the latest BCAN-CID mapping data to SEHK, whenever available, from 19 December 2022 onwards prior to the launch of the HKIDR on 20 March 2023. Please refer to HKEX's [Circular](#) dated 12 December 2022 for details of requirements.

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<sup>1</sup> RRIs refer to SFC-licensed corporations and registered institutions subject to the HKIDR pursuant to paragraph 5.6 of the SFC's Code of Conduct for Persons Licensed by or Registered with the SFC as set out in the Appendix C to the SFC's [consultation conclusions paper](#) issued in August 2021.

<sup>2</sup> The three rounds of HKIDR readiness survey were conducted in January, June and September 2022 respectively.



## **Compliance with applicable data privacy law including Personal Data (Privacy) Ordinance (PDPO)**

RRIs are reminded that they should have obtained all written or other forms of express consent from each individual client regarding the collection, storage, processing and use of personal data in relation to such client's BCANs and CIDs under the HKIDR in accordance with the SFC's requirements and all applicable data privacy laws including the PDPO. Please refer to the SFC's Circular dated [13 September 2021](#) for details.

RRIs are also reminded that they should submit the BCAN-CID Mapping File containing BCAN and CID of their clients to SEHK's data repository before a cut-off time on or before the previous trading day prescribed by SEHK, otherwise their clients will not be allowed to place buy orders on the trading day, except for new clients who wish to trade on the day of account opening or dormant clients<sup>3</sup> whose accounts become re-activated on the day of entering into a trade, in which case RRIs may submit the BCAN-CID Mapping File containing such client's BCAN and CID to SEHK's data repository by a deadline on the trading day prescribed by SEHK.

## **Securities and Futures Commission**

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<sup>3</sup> For the purpose of the HKIDR, dormant clients refer to clients whose trading accounts have been inactive for at least 24 months since the last trade (irrespective of account balance or fund movements).