

24 January 2024

## Circular to Licensed Corporations

### Participation in Cross-Boundary Wealth Management Connect Pilot Scheme

The People's Bank of China published today its revised Implementation Arrangements for the Cross-boundary WMC Pilot Scheme in the GBA (Implementation Rules) (《粵港澳大灣區“跨境理財通”業務試點實施細則》) to enhance the Cross-Boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area (Cross-Boundary WMC). These enhancements include allowing eligible licensed corporations (LCs) to participate in the Cross-Boundary WMC, expanding the eligible investment product scope and clarifying the promotion and sales arrangements. The revised Implementation Rules will come into effect on 26 February 2024.

In this connection, the Securities and Futures Commission (SFC), upon discussion with the relevant regulatory authorities and soft consultation with the industry, has issued a set of guidance for LCs which wish to participate in the Southbound Scheme<sup>1</sup> (see Annex 1) and Northbound Scheme<sup>2</sup> (see Annex 2) of the Cross-Boundary WMC, as well as the Frequently Asked Questions (see Annex 3). The guidance covers, amongst others, the following aspects:

- eligible criteria for participating LCs;
- eligible criteria for investors;
- scope of eligible investment products;
- account opening arrangements;
- investor quota management;
- cross-boundary closed-loop fund flow arrangements; and
- promotion and sales arrangements.

Prior to the launch of any Cross-Boundary WMC related activities, eligible LCs which intend to participate in the Cross-Boundary WMC should:

- partner with an eligible Mainland broker and work closely with it to ensure that all preparatory work, including the relevant system set-up, is properly performed;
- put in place adequate systems, internal control measures and operating procedures in accordance with the requirements set out in the guidance; and
- submit to the SFC, amongst others, their business plan and a self-assessment report certified by their Manager-in-Charge (MIC) – Overall Management Oversight, MIC –

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<sup>1</sup> The Southbound Scheme refers to eligible Mainland investors investing in eligible investment products offered by eligible LCs via designated channels.

<sup>2</sup> The Northbound Scheme refers to eligible Hong Kong investors investing in eligible investment products offered by eligible Mainland brokers via designated channels.



Compliance and head of internal audit function, to demonstrate their operational readiness.

Upon receiving the no objection notification from the SFC, LCs may conduct business activities under the Southbound Scheme, the Northbound Scheme or both.

LCs are encouraged to notify and discuss their business plan with their case officer in the SFC in advance should they wish to participate in the Cross-Boundary WMC. Should you have any questions regarding the content of this circular, please send your enquiries to [wmc@sfc.hk](mailto:wmc@sfc.hk).

Intermediaries Supervision Department  
Intermediaries Division  
Securities and Futures Commission

Enclosure

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