

13 November 2025

## Circular to licensed corporations

### Implementation Arrangements for Cross-Boundary Wealth Management Connect Pilot Scheme

1. Further to the circular issued on 24 January 2024 (Circular) by the Securities and Futures Commission (SFC) to licensed corporations (LCs) wishing to participate in the Cross-Boundary Wealth Management Connect Pilot Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area (Cross-Boundary WMC), the SFC, upon discussions with relevant regulatory authorities, would like to introduce further enhancements to the following implementation arrangements:

#### Promotion and sales

2. Pursuant to paragraph 54 of Annex 1 to the Circular, eligible LCs participating in the Cross-boundary WMC (Participating LCs) may, upon request by clients under the Southbound Scheme (Southbound Scheme clients) who are not physically present in Hong Kong, conduct investment product screening based on the clients' personal situations and introduce and explain the information of the products (eg, key features and risks, investment objectives and strategies of the products) through appropriate communication channels (including telephone, video conferences and instant messaging applications) at their place of business<sup>1</sup>. Participating LCs can now offer Southbound Scheme clients the option of providing their one-off consent in writing, valid for up to one year, indicating their acceptance for the Participating LCs to thereafter introduce and explain the information of the products based on the clients' personal situations and selected product categories. During the validity period of the one-off consent, Participating LCs are not required to obtain a request from the clients every time.
3. In addition to the above arrangement, under the Southbound Scheme, Mainland partner brokers under the same corporate groups as the Participating LCs (Partner Brokers) can, upon the request of Southbound Scheme clients and subject to compliance with the relevant regulatory requirements in the Mainland, assist the Southbound Scheme clients in setting up three-party dialogues (online, teleconference or video conference) with the Participating LCs in relation to the Southbound Scheme services at their respective places of business. During such three-party dialogues, Participating LCs can introduce and explain the relevant information of the investment products (eg, key features and risks, investment objectives and strategies of the products, etc.). Participating LCs and their Partner Brokers should clearly set out each party's responsibilities and obligations regarding the cooperation in the cooperation agreement and ensure compliance with the relevant regulatory requirements in both the Mainland and Hong Kong.
4. On a reciprocal basis, the above arrangements also apply to the Northbound Scheme. Partner Brokers can offer clients under the Northbound Scheme (Northbound Scheme clients) the option of providing their one-off consent in writing, valid for up to one year,

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<sup>1</sup> Participating LCs are required to comply with paragraph 5.2 of the the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

indicating their acceptance for the Partner Brokers to thereafter introduce and explain the information of the products based on the clients' personal situations and selected product categories. Moreover, Participating LCs can, upon the request of Northbound Scheme clients and subject to compliance with the relevant regulatory requirements in Hong Kong, assist the Northbound Scheme clients in setting up three-party dialogues (online, teleconference or video conference) with the Partner Brokers in relation to the Northbound Scheme services at their respective places of business. During such three-party dialogues, Partner Brokers can introduce and explain the relevant information of the investment products (eg, key features and risks, investment objectives and strategies of the products, etc.). Participating LCs and their Partner Brokers should clearly set out each party's responsibilities and obligations regarding the cooperation in the cooperation agreement and ensure compliance with the relevant regulatory requirements in both the Mainland and Hong Kong.

5. Participating LCs should not travel to the Mainland to conduct substantive sales activities, actively solicit clients, or provide investment advice. Moreover, prior to introducing products to Southbound Scheme clients, Participating LCs should conduct product due diligence and assess their clients' risk profiles. In addition, to facilitate Southbound Scheme clients in making investment decisions, Participating LCs should ensure the risk profiling result is valid when conducting transactions on investment products with the clients. Where there is a risk mismatch in such transactions (ie, the risk rating of the product is higher than the client's risk profiling result), Participating LCs should alert the clients and seek confirmation from the clients as to whether to proceed with such transactions. Participating LCs should provide services in accordance with Hong Kong's laws and regulatory requirements, including ensuring compliance with paragraph 5.2 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (Code of Conduct).

## Research reports

6. Pursuant to paragraph 52 of Annex 1 to the Circular, Participating LCs may provide Southbound Scheme clients with their research reports for reference. These reports may cover macroeconomic conditions, market environment, industry segments, sectoral trends, etc., but cannot cover individual investment products. Hereafter, if the above-mentioned one-off consent of the Southbound Scheme clients clearly indicates the clients' acceptance for Participating LCs to provide them with research reports on eligible investment products under the Southbound Scheme, Participating LCs can provide clients with research reports on individual investment products prepared by their Partner Brokers. Partner Brokers should assume the relevant legal and regulatory obligations for preparing such research reports and strictly comply with the relevant regulatory requirements in the Mainland. Participating LCs must also:
  - a) exercise due skill, care and diligence in the selection and ongoing monitoring of the Partner Brokers to ensure their competence, implement processes and procedures to ensure the Partner Brokers comply with the applicable Mainland laws and regulations, and ensure a legally binding written contract is in place between themselves and the Partner Brokers in relation to the Partner Brokers' preparation of the research reports and their provision by the Participating LCs;
  - b) comply with the applicable requirements in the Code of Conduct, including General

Principles 1, 2, 5 and 6, and paragraphs 2.1 and 12.2 of the Code of Conduct; and

- c) take responsibility for the research reports by taking reasonable steps to ensure the quality of the research reports such that, among others, the information in the research reports is factual, fair and balanced.

Moreover, the research reports should contain prominent and adequate disclosures of conflicts of interest and warning statements. A list of illustrative examples of such disclosures is set out in the **Appendix**. Please note that these examples are for reference only and not meant to be complete or exhaustive. The text of the disclosure may vary, but the message must be clear and not disguised.

7. With respect to the Northbound Scheme, if the above-mentioned one-off consent of the Northbound Scheme clients clearly indicates the clients' acceptance for Partner Brokers to provide them with research reports on eligible investment products under the Northbound Scheme, Partner Brokers can provide clients with research reports on investment products prepared by Participating LCs or their groups.

#### **Partnership arrangement with Mainland brokers**

8. Pursuant to paragraph 5 of Annex 1 to the Circular, if Participating LCs intend to establish partnership arrangements with more than one eligible Mainland brokers for providing Southbound Scheme services, they may submit to the SFC their business plan detailing the operating procedures and arrangements, along with a self-assessment report, to demonstrate their operational readiness. Meanwhile, eligible Mainland brokers should submit the relevant information to the Mainland regulatory authorities for their consideration.

Should you have any questions regarding the contents of this circular, please send your enquiries to [wmc@sfc.hk](mailto:wmc@sfc.hk).

Intermediaries Division  
Securities and Futures Commission

End

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Appendix