FII Market Entry Requirements for Stock Connect Standard SPSA MODEL

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| **Important** |  | Citibank Hong Kong will open segregated accounts in the name of the final beneficiary that will be linked to an omnibus CNY account.  As part of the FII account opening process all documentation must be in exactly the same investor name and on the investor's letterhead where appropriate.  Clients who have chosen to use only the 3 designated brokers, i.e., Citi, UBS, and Sanford Bernstein will be supported via the SPSA+ model. If other brokers are used, clients would be supported via the standard SPSA model.  Clients can setup brokerage relationship with up to 20 brokers for SPSA Standard Model.  SPSA model doesn’t support true DVP settlement and single-sided settlement.  Clients would also need to take into consideration whether they have the APAC time zone operation capability to send in the settlement instruction on T day by RBC’s required cut-offs as the trades would only be settled upon client’s instructions under standard SPSA model. If client cannot send in the instructions for settlement on T local time, standard SPSA model would not be suitable for them.  **Clients should consult with their legal advisors for eligibility to participate in this Stock Connect model and where approval is required from your respective local regulator, please provide confirmation that this approval has been granted.**  For further information, we invite you to consult the latest FAQ provided by HKEX: <http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/Documents/FAQ_En.pdf> |
| **Fees** |  | None |
| **Tax Consultant** |  | Not required |
| **E-signature** |  | Accepted for broker letter |

## Account Opening

**Documentation Required by the Agent**

### Step 1: SAM or Client Representative & Client requirements

Before starting the account opening process all the following points must be completed ***(***Client Market Account Opening team is out of scope):

* SAM or Client Representative has provided the Forex mandate signed by the client
* CSM has provided the Disclaimer letter signed by the client



* Clients have set up brokerage relationship with any of the following 3 panel brokers (Broker contacts as below) or/and other non-panel brokers. Clients could choose to use up to 20 brokers in total.

***Note: Clients who have chosen to use non-panel brokers should agree with these brokers upfront to settle SELL trades via RDP settlement mode. Failure to do so will lead to fail trades which are subject to buy-in.***

**Citigroup Global Markets Asia Limited:**

* + - * + APAC: James Gleeson (Email: [james.gleeson@citi.com](mailto:james.gleeson@citi.com), Tel:+852 2501 2285)
        + Europe: Ian Weir (Email: [ian.weir@citi.com](mailto:ian.weir@citi.com), Tel: +44 (20) 7986 3699)
        + US: Aleksandra Hanegby (Email: [aleksandra.henegby@citi.com](mailto:aleksandra.henegby@citi.com), Tel: +1 (212) 723 6469)

**UBS Securities Hong Kong Limited**:

* + - * + Andy Lo (Email: [andy.lo@ubs.com](mailto:andy.lo@ubs.com), Tel: +852 2971 8565 / +852 6119 2063)

**Sanford C. Bernstein (Hong Kong) Limited:**

* + - * + Ian Hutton (Email: [ian.hutton@bernstein.com](mailto:ian.hutton@bernstein.com), Tel: +852 2918 5761)

### Step 2: FII Market Entry requirements

### Process to be implemented with *Client Market Account Opening* team once the above steps are finalized:

* SAM or Client Representative has provided the signed SPSA+ & RDP letter



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| **Timing** | The market timeframe for opening accounts is 15 business days post completion and acceptance of documents by the agent. But the actual timeline is subject to the turnaround time of the brokers on the SPSA Broker Maintenance form (standard form required by HKEX for SPSA opening) as well as the final confirmation from the HKEX on the SPSA effective date. |
| **Sub-custodian** | RBC IS has appointed Citibank as Sub-custodian. Their role is to open and manage the securities account. |
| **Further Details** | Once the SPSA account is opened with HKEX, Citibank Hong Kong will inform RBC and the designated brokers the corresponding SPSA account number and Investor ID for client’s designated brokers to further fill up the SPSA Broker Maintenance form.  Citibank Hong Kong will not verify the information filled in by the designated brokers in the SPSA Broker Maintenance form. Designated broker should ensure to provide the valid signature of the registered Responsible Officer and Company Chop. Any SPSA Broker Maintenance form rejected by HKSCC will be subject to additional administration fee of USD 100. |

## Step-by-step Process: Broker Maintenance Instruction (Adding)

### Step 1: SAM or Client Representative requirements

Client has to complete and return back the SPSA+ letter to instruct us to link additional broker(s):

Note: Clients who have chosen to use non-panel brokers should agree with these brokers upfront to settle SELL trades via RDP settlement mode. Failure to do so will lead to fail trades which are subject to buy-in.



### Step 2: Client requirements

Client has to liaise with related broker(s) to fill in the SPSA Broker Maintenance form for broker link with CCASS. The SPSA Broker Maintenance form will need to be completed and signed by the broker(s). The broker(s) will return it back to Citibank Hong Kong for further action.

### Process will be implemented once the above steps are finalized.

**Timing** Approx. 6 business days for CCASS to link broker(s)

## Step-by-step Process: Broker Maintenance Instruction (Deletion)

### Step 1: SAM or Client Representative requirements

### Client has to complete and return back the SPSA Eligible Executing Broker Maintenance Instruction to instruct us for SPSA delink related broker(s):



### Step 2: Client requirements

Client has to liaise with related broker(s) to fill in the SPSA Broker Maintenance form for broker delink with CCASS. The SPSA Broker Maintenance form will need to be completed and signed by the broker(s). The broker(s) will return it back to Citibank Hong Kong for further action.

Below link to download the respective form:

### <http://www.hkex.com.hk/-/media/HKEX-Market/Mutual-Market/Stock-Connect/Reference-Materials/Forms,-Checklists-and-Procedures/SPSA_Designated_Executing_Broker_Maint_Form.pdf?la=en>

### Process will be implemented once the above steps are finalized.

**Timing** Approx. 6 business days for CCASS to delink broker(s)

### Name change

**No name change documentation is required by the Agent**

### Account Closure

### Step 1: SAM or Client Representative requirements

### Client has to complete and return back the SPSA Eligible Executing Broker Maintenance Instruction to instruct us for SPSA delink related broker(s):



### Step 2: Client requirements

Client has to liaise with related broker(s) to fill in the SPSA Broker Maintenance form for broker delink with CCASS. The SPSA Broker Maintenance form will need to be completed and signed by the broker(s). The broker(s) will return it back to Citibank Hong Kong for further action.

Below link to download the respective form:

### <http://www.hkex.com.hk/-/media/HKEX-Market/Mutual-Market/Stock-Connect/Reference-Materials/Forms,-Checklists-and-Procedures/SPSA_Designated_Executing_Broker_Maint_Form.pdf?la=en>

### Process will be implemented once the above steps are finalized.

**Timing** Approx. 6 business days for CCASS to delink broker(s). Once the deletion completed with all brokers, Citibank Hong Kong will perform the SPSA and securities accounts closure the next day.

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