

13<sup>rd</sup> June, 2022

Dear Valued Customer,

**Re: Implementation of Hong Kong Investor Identification Regime, OTC Securities Transaction Reporting Regime and Fast Interface for New Issuance ("FINI")**

As announced by The Securities and Futures Commission ("SFC") and Hong Kong Exchanges and Clearing Limited ("HKEX"), the Hong Kong Investor Identification Regime ("HKIDR") and Over-the-counter Securities Transactions Reporting Regime ("OTCR") are expected to be launched in the second half of 2022 and first half of 2023 respectively (subject to the final announcement of the SFC and HKEX).

Under the HKIDR and OTCR, clients are required to provide **express consent** to their broker for the disclosure of their relevant personal data (including the client identification data ("CID") and the Broker-to-Client Assigned Number ("BCAN")) in relation to the securities traded on The Stock Exchange of Hong Kong Limited ("SEHK") and for complying with the rules and requirements of SFC and SEHK. Broker shall execute sell orders but not buy orders for clients who fail to provide the said consent after the implementation of HKIDR. In addition, brokers shall only handle stock withdrawal / transfer-out but not stock deposit / transfer-in if no relevant consent is obtained from clients after the implementation of OTCR. Once the launch of Fast Interface for New Issuance ("FINI"), a new platform being developed by HKEX for the Initial public offering ("IPO") of new shares tentatively in the second quarter of 2023, CID or BCAN for each client will also be required to be submitted for IPO application.

**Our requirements in respect of HKIDR and OTCR regimes**

**1. Update of your relevant CID**

SFC has a waterfall guideline to brokers in authenticating client identity, and accordingly, CID of a client should be collected in the order of priority of (1) *Hong Kong Identity Card*; or (2) *national identification document*; or (3) *passport*.

Please note that:

- HKID card is required for a Hong Kong resident
- Mainland identity card is required for a China resident. (Both Exit-entry Permit for Travelling to and from Hong Kong and Macao and Permit for Proceeding to Hong Kong and Macao are not considered as relevant documents for CID)
- Macao identity card is required for a Macao resident

**Hence, you are advised to provide an updated CID to us if your CID was changed or it does not meet the aforesaid identity requirement. Please visit our office with the original identity document to update your identity record with us.**

Please also be noted that without an identity document required under the waterfall may result in a delay of BCAN application and affect your securities trading after the implementation of HKIDR and OTCR.

## **2. Submission of your express consent**

The purposes of use and transfer of client's personal data to the SEHK and/or SFC for the HKIDR and OTCR regimes are set out in the attached form – "Acknowledgement of Consent under Hong Kong Investor Identification Regime, OTC Securities Transactions Reporting Regime and Fast Interface for New Issuance ("FINI)". **Should you accept the clauses, all joint account holders please sign and return the consent form to our office or by mail to the following address at your earliest convenience:-**

East Asia Securities Company Limited  
9/F., 10 Des Voeux Road Central  
Hong Kong

**Lastly, we would like to reiterate the importance of providing the updated CID (if any) and express consent to us before the implementation of HKIDR and OTCR. Failure to provide us with your updated CID and express consent as described above may hinder our provision of securities related services to you timely (other than to sell, transfer out or withdraw your existing holdings of securities, if any).**

Should you have any queries or require assistance in the update of CID and consent form, please do not hesitate to contact us on (852) 3608 8021.

Thank you for your attention.

Yours faithfully,  
East Asia Securities Company Limited

Encl.

This letter is a computer-generated document and no signature is required.