

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: OPTIONAL USE OF INVESTOR IDENTIFICATION INFORMATION COLLECTED UNDER THE HKIDR REGIME IN FINI

Enquiry: Participant General Enquiry Hotline¹ (Tel: 2840 3626 E-mail: trd@hkex.com.hk)

In July 2021, Hong Kong Exchanges and Clearing Limited (HKEX) published the [Conclusions Paper](#) to the November 2020 FINI [Concept Paper](#) to introduce a new platform, FINI (Fast Interface for New Issuance), to comprehensively streamline and digitalise Hong Kong's IPO settlement process. As mentioned in the FINI Conclusions Paper, HKEX intends to leverage on the Securities and Futures Commission's (SFC) investor identification regime for the securities market in Hong Kong at trading level ([HKIDR](#)) and an over-the-counter securities transaction reporting regime ([OTCR](#)) for investor identification in FINI. Securities market participants should collectively benefit by adopting similar investor ID regimes for both primary and secondary market activities in Hong Kong.

Following the publication of the [consultation conclusions](#) in respect of the HKIDR and the OTCR by the SFC in August 2021 and a subsequent discussion with the SFC, HKEX decided that Exchange Participants (EPs) and other SFC-licensed corporations and registered institutions (LCs/ RIs) will be allowed, on an optional basis, to identify subscribers for shares in public offers with the Broker-to-Client Assigned Number (BCAN) assigned to the relevant clients under the HKIDR and the OTCR, once FINI is launched.

This feature is expected to be useful to EPs and other LCs/ RIs (who subscribe through EPs) that wish to use the EIPO share subscription channel provided by Hong Kong Securities Clearing Company Limited (HKSCC), but do not wish to reveal their underlying clients' personal information to a HKSCC Clearing Participant (for example, a lending bank) that may be submitting the EIPO subscriptions on their behalf.

Purposes of use and minimum content of the consent

If an EP or other LC/ RI intends to offer Hong Kong EIPO share subscription services to a client and wishes to use the client's BCAN as a client identifier when submitting their EIPO application to HKSCC via FINI, it must first –

- (A) obtain the client's express prior written consent to the following:
 - (i) the provision of the BCAN to HKSCC allowing HKSCC to retrieve the client's Client Identification Data (CID) from The Stock Exchange of Hong Kong Limited (SEHK) (which is allowed to disclose and transfer to HKSCC);
 - (ii) HKSCC's processing and storage of the CID and transfer of the CID to the issuer's share registrar to enable HKSCC and/ or the issuer's share registrar to verify that the client has not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and
 - (iii) HKSCC's processing and storage of the CID and transfer of the CID to the issuer, the issuer's share registrar, the SFC, SEHK and any other party involved in the IPO for the purposes of processing the client's application for the relevant share subscription, or any other purpose set out in the IPO issuer's prospectus; and
- (B) ensure that it has incorporated appropriate provisions in its brokerage agreements to allow it to submit EIPO subscriptions on its clients' behalf and ensure that its clients have provided written consents to the use of their personal data in accordance with the personal information collection statement and other applicable terms and conditions set out in the prospectus of the relevant IPO issuer².

Suggested wording for obtaining client consent

The client consent does not need to set out verbatim the purposes of use in paragraphs (A) (i) to (iii) above, provided that all of those purposes of use are properly covered. It should be noted that the relevant consent requirement will not be satisfied if the client's consent to those purposes is only implied or inferred, rather than being express, written consent.

If an EP or other LC/ RI intends to leverage on the wording in the annex to the SFC's consent [circular](#) issued on 13 September 2021, which provides intermediaries with guidance on obtaining client consent under the HKIDR and the OTCR, it may add the following paragraph (d) to include the purposes of use set out in (A) (i) to (iii) above as follows:

- "(d) providing BCAN to Hong Kong Securities Clearing Company Limited (HKSCC) allowing HKSCC to: (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store your CID and transfer your CID to the issuer's share registrar to enable HKSCC and/ or the issuer's share registrar to verify that you have

not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and (ii) process and store your CID and transfer your CID to the issuer, the issuer's share registrar, the SFC, SEHK and any other party involved in the IPO for the purposes of processing your application for the relevant share subscription or any other purpose set out in the IPO issuer's prospectus."

For further information, please refer to [FINI section of](#) HKEX website.

Kenneth Kok
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This circular should not be regarded as legal advice on the observance of the Personal Data (Privacy) Ordinance or any other applicable data privacy laws. EPs and other LCs/ RIs should seek professional advice where necessary on the appropriate measures to be taken to ensure compliance with all applicable data privacy laws.

- 1 All calls to and from the Participant General Enquiry Hotline may be recorded. HKEX Privacy Policy Statement is available [here](#).
- 2 For reference only, a revised template of personal information collection statement (PICS) (in draft form) that will be included in a Listing Guidance Letter to be issued by the Listing Division of SEHK which sets out, among others, the guidance on what information the Listing Division expects in specific sections of a listing document upon the launch of FINI is set forth in the Appendix to this circular.

Appendix

FOR REFERENCE ONLY

Revised template of PICS (in draft form) upon the launch of FINI²

HOW TO APPLY FOR THE HONG KONG PUBLIC OFFER SHARES

9/9/21

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Branch Share Registrar, the receiving bank[s] and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Public Offer Shares, of the policies and practices of the Company and the Hong Kong Branch Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of the Hong Kong Public Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Branch Share Registrar is accurate and up-to-date when applying for the Hong Kong Public Offer Shares or transferring the Hong Kong Public Offer Shares into or out of their names or in procuring the services of the Hong Kong Branch Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for the Hong Kong Public Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Branch Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of the Hong Kong Public Offer Shares which you have successfully applied for and/or the dispatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of the Hong Kong Public Offer Shares inform the Company and the Hong Kong Branch Share Registrar immediately of any inaccuracies in the personal data supplied.

HOW TO APPLY FOR THE HONG KONG PUBLIC OFFER SHARES

9/9/21

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and [name of eIPO refund system] payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of the Hong Kong Public Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares;
- identifying any duplicate applications for the Shares;
- facilitating Hong Kong Public Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Branch Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the Hong Kong Branch Share Registrar relating to the applicants for and holders of the Hong Kong Public Offer Shares will be kept confidential but the Company and the Hong Kong Branch Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank[s] and overseas principal share registrar;

HOW TO APPLY FOR THE HONG KONG PUBLIC OFFER SHARES

9/9/21

- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Branch Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Public Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Branch Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of the Hong Kong Public Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers etc.

5. Retention of personal data

The Company and the Hong Kong Branch Share Registrar will keep the personal data of the applicants and holders of the Hong Kong Public Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of the Hong Kong Public Offer Shares have the right to ascertain whether the Company or the Hong Kong Branch Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Branch Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong Branch Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the Hong Kong Branch Share Registrar for the attention of the privacy compliance officer.