

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: **ARRANGEMENTS FOR THE LAUNCH OF THE NORTHBOUND INVESTOR ID MODEL**

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

Reference is made to the Exchange Circular (Ref: [CT/102/18](#)) issued on 24 August 2018, China Connect Exchange Participants ("CCEPs") and Trade through Exchange Participants ("TTEPs") are reminded that the Northbound Investor ID Model ("NB Investor ID Model") will be launched on 17 September 2018. CCEPs and TTEPs are required to take note of the following arrangements:

I. Special Arrangement During the Initial Period (17 September 2018 to 12 October 2018)

Upon the launch of the NB Investor ID Model, notwithstanding that CCEPs and TTEPs shall comply with all applicable requirements under the Rules of the Exchange in relation to the NB Investor ID Model (including Rule 1425A(4) and (6)), during the Initial Period **from 17 September 2018 to 12 October 2018** (both dates inclusive), China Connect orders will not be rejected on the following grounds so long as the tagged Broker-to-Client Assigned Numbers ("BCANs") are in the prescribed format (i.e. a maximum 10 digit number without leading zeros):

1. China Connect orders (both buy and sell orders) tagged with invalid BCANs (i.e. those not successfully registered with the Mainland authorities); and
2. China Connect buy orders tagged with reserved values as BCANs (i.e. "1" for individual investors and "2" for institutional investors).

This special arrangement is only effective during the Initial Period. Starting from 15 October 2018, the above-mentioned China Connect orders will be rejected by the Mainland exchanges.

¹ All calls to and from the Participant General Enquiry Hotline may be recorded. HKEX Privacy Policy Statement is available [here](#).

At all times, CCEPs and TTEPs should ensure that they are in full compliance with all the applicable requirements under the Rules of the Exchange in assigning and tagging BCANs to China Connect orders, including using correct BCANs and using reserved values only for sell orders for the clients where the necessary authorizations and consents from such clients cannot be obtained or are otherwise invalid or deficient, as permitted under Rule 1425A(6) of the Rules of the Exchange.

CCEPs and TTEPs should note the fact that their China Connect orders are not being rejected on the above specific grounds during the Initial Period is by no means any indication that they are in compliance with the relevant requirements under the Rules of the Exchange. The Exchange will investigate and take appropriate regulatory actions against the CCEPs/TTEPs concerned for any breaches of the relevant rules and requirements.

II. Post Release Test (“PRT”) on 15 September 2018

A PRT for the upgraded CSC for the NB Investor ID Model will be held on 15 September 2018 (Saturday) from 9:00 am to 11:30 am. All CCEPs are encouraged to participate in the PRT to further verify their system readiness. CCEPs who wish to participate in the PRT are required to complete and return the PRT Registration Form in [Attachment 1](#) to HKEX by fax at 2521 7899 or by email to OTPC@hkex.com.hk **on or before 11 September 2018 (Tuesday)**. During the PRT, the secure file transfer protocol (“SFTP”) server will not be open for BCAN-CID Mapping File submission and participating CCEPs are required to use their registered BCANs for tagging to China Connect orders during PRT. Details of the PRT will be provided separately.

The Exchange will confirm the rollout of the NB Investor ID Model at or before 1:00pm on the same day (15 September 2018) via a special message posted on the “[Northbound Investor ID Model](#)” section of the Mutual Market website upon the completion of the PRT. If there is an unexpected incident during the PRT and CSC host software fallback is required, an announcement will be made on the same web corner by 1:00pm.

III. Stabilisation Period (17 September 2018 to 21 September 2018)

Upon the launch of the NB Investor ID Model on 17 September 2018, there will be a stabilisation period of one week. In the unlikely event that there is a critical incident disrupting the normal functioning of CSC during the stabilisation period, CSC will fall back to the previous version (i.e. the version as of 14 September 2018) and the detailed arrangements will be announced accordingly.

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