

# TERMS AND CONDITIONS FOR CROSS-BOUNDARY WEALTH MANAGEMENT CONNECT SCHEME



(Effective as of Oct 19, 2021)

To: **Citibank (Hong Kong) Limited** whose registered office address is Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, a bank licensed under the Banking Ordinance and registered under section 119(1) of the Securities and Futures Ordinance to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities with C.E. Number AAY797.

obligations with respect to the Cross-Boundary Wealth Management Scheme products/services I subscribe to or use now or in the future.

## 1. Introduction

- 1.1 These terms are supplementary to and not in substitution for any provisions in the Citibank “Terms and Conditions for Accounts and Services” (“**Account Terms**”) and “Terms and Conditions for Citibank Securities Services” (“**Securities Terms**”) (collectively the “**General Terms**”) governing my banking and/or securities account(s), and shall apply only to my participation in the Cross-Boundary Wealth Management Connect (as defined in Clause 2 below) through you. Capitalized terms not defined in these terms shall have the same meaning given to them in the General Terms unless the context requires otherwise. My participation in the Cross-Boundary Wealth Management Connect is subject to the General Terms unless otherwise specified in these terms, and in case of inconsistency between these terms and the General Terms with respect to any matter relating to the Cross-Boundary Wealth Management Connect, these terms shall prevail.
- 1.2 My participation in the Cross-Boundary Wealth Management Connect will also be subject to the terms and conditions that govern Citibank online and/or Citibank mobile application, through which I may access the products or services provided under the Cross-Boundary Wealth Management Connect. Further, all agreements, terms and conditions governing the respective accounts, services and products covered by the Cross-Boundary Wealth Management Connect from time to time continue to apply unless you agree otherwise. For the purpose of the Cross-Boundary Wealth Management Connect, the provisions of these terms prevail over such other agreements, terms and conditions to the extent of any inconsistency between them.
- 1.3 These terms and conditions are appended to and shall form part of the General Terms as the “**Terms and Conditions for the Cross-Boundary Wealth Management Connect**” or “**WMC Terms**” and will govern my rights and

## 2. Key definitions

In these WMC Terms, unless the context otherwise requires, the following terms shall have the following meanings:

### “Applicable Governing Requirement(s)”

means any applicable law, regulation or court order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued from time to time by any Governing Authority in respect of the WMC Scheme or such requirement applicable to the Services which you, your affiliates or group companies, your WMC Mainland Partner Bank or their respective affiliates or group companies, or I, am subject to or is/am expected to comply.

### “Governing Authority”

means any regulatory authority, governmental agency (including tax authority), clearing or settlement bank or exchange, or industry or self-regulatory body, whether in or outside Hong Kong, Macao or Mainland China.

### “HKD”

means Hong Kong dollars, the lawful currency of Hong Kong.

### “HKMA”

means the Hong Kong Monetary Authority.

### “Hong Kong”

means the Hong Kong Special Administrative Region.

### “Hong Kong Investment Account”

means, in the context of the Southbound Scheme, the dedicated account for investment and settlement purposes opened with you by me, which can only be used for investment and corresponding settlement purposes under the Southbound Scheme.

### “Hong Kong Remittance Account”

means, in the context of the Northbound Scheme, the dedicated account for remittance purposes opened with you by me, which can only be used for the purpose of remittance under the Northbound Scheme.

### “Hong Kong WMC Accounts”

means any of the Hong Kong Investment Account or the Hong Kong Remittance Account.

### “I”, “me”, “my”

refer to the person in whose name the relevant Hong Kong WMC Account is opened or to whom the Services are provided under the WMC

Scheme.

**“Macao”**

means the Macao Special Administrative Region.

**“Mainland China”**

means the People’s Republic of China (excluding Hong Kong, Macao and Taiwan), and **“Mainland Chinese”** shall be construed accordingly.

**“Mainland Investment Account”**

means the investment and settlement account(s) opened by me in the context of the Northbound Scheme with the WMC Mainland Partner Bank for the purposes of closed-loop fund movement between the Mainland Investment Account and the Hong Kong Remittance Account for investment in the products offered by the WMC Mainland Partner Bank in Mainland China.

**“Mainland Remittance Account”**

means the remittance account opened by me in the context of the Southbound Scheme with the WMC Mainland Partner Bank for the closed-loop fund movement between the Mainland Remittance Account and the Hong Kong Investment Account for investment in the WMC Products offered by you in Hong Kong.

**“Mainland WMC Accounts”**

means any of the Mainland Investment Account or Mainland Remittance Account.

**“Northbound Scheme”**

means the designated channel through which eligible residents in Hong Kong may invest in products distributed by banks in Mainland China under the WMC Scheme.

**“RMB”**

means Renminbi, the lawful currency of Mainland China.

**“Services”**

means the services provided by you under the WMC Scheme as more particularly described in these WMC Terms.

**“Southbound Scheme”**

means the designated channel through which eligible residents in Mainland China may invest in products distributed by banks in Hong Kong under the WMC Scheme.

**“Vulnerable Customer”**

means a client in respect of whom there is a risk or vulnerability that he/she may not be able to understand the risk and/or withstand the potential losses of an investment, as assessed by you with reference to the guidance issued by the HKMA from time to time.

**“Cross-Boundary Wealth Management Connect”** or **“WMC Scheme”** means the Cross-boundary Wealth Management Connect Pilot Scheme in the Greater Bay Area, otherwise known as Wealth Management Connect, jointly announced by the People’s Bank of China, the

HKMA, and the Monetary Authority of Macao in June 2020.

**“WMC Mainland Partner Bank”**

means a bank in the Mainland China with which you partner under the WMC Scheme or any other bank as may be notified by you to me from time to time.

**“WMC Products”**

means eligible products made available by you from time to time under the Southbound Scheme.

**“you”, “your”**

means Citibank (Hong Kong) Limited and its successors and assigns, as well as its affiliates or any member of its group companies as the case may be.

**3. Services under the WMC Scheme**

- 3.1 You may provide a range of services under the WMC Scheme to me, subject to and in accordance with the Applicable Governing Requirements. The Services you provide under the WMC Scheme are different under the Southbound Scheme and Northbound Scheme. The Services and/or benefits you provide to me or otherwise made available to me under the WMC Scheme may be different from or more limited than those services or benefits available to your other clients who are not participating in the WMC Scheme regardless of the banking types they maintain with you.
- 3.2 You may provide some of the Services to me via online or mobile channels and some Services via other channels as may be determined by you from time to time at your sole discretion.
- 3.3 You may from time to time vary the scope, extent and features of the Services and the conditions, limits and procedures for my use of the Services. I acknowledge that my use of any Services is subject to my acceptance and full compliance with the terms and conditions and procedures set out in these WMC Terms. Subject to Applicable Governing Requirements, I agree and accept that you do not represent that the information set out in these WMC Terms is up-to-date or comprehensive and do not undertake to update these WMC Terms pursuant to changes in the Applicable Governing Requirements. I am responsible for monitoring changes in the WMC Scheme and the Applicable Governing Requirements and complying with any new Applicable Governing Requirements.
- 3.4 I acknowledge that you are independent of the WMC Mainland Partner Bank and neither you nor any of your staff are, or act as, agents of the WMC Mainland Partner Bank, nor is the WMC Mainland Partner Bank, or any of its staff, an agent of you.

- 3.5 Neither the Services to be provided by you nor any recommendation or advice given to me, nor any other matter, gives rise to any fiduciary or equitable duties on your part which would oblige you to accept responsibilities more extensive than those set out in these WMC Terms. I waive, to the fullest extent permitted by Applicable Governing Requirements, any claims I may have against you arising from any alleged breach of any alleged fiduciary duty in connection with the Services.
- 3.6 You shall have the right to apply at any time any procedures or requirements in respect of any Services or transaction under the WMC Scheme which you determine in your absolute discretion to be necessary or desirable for the purpose of complying with any Applicable Governing Requirement or market practice. You shall have no liability for any losses or risks which may result directly or indirectly from such procedures or requirements.
- 3.7 To the extent permissible under the Applicable Governing Requirements, you may, without advance notice to me and in your absolute discretion, refuse to act upon any instruction provided by me, vary or limit the scope of the Services, or suspend or terminate all or part of the Services, including if (for example, and without limitation):
- (a) my instructions or your provision of the Services are not compliant with any Applicable Governing Requirement or if you reasonably believe that such instruction or provision of the Services may not be compliant with any Applicable Governing Requirement or if you are requested or required by any Governing Authority or the WMC Mainland Partner Bank not to accept such instruction;
  - (b) in respect of any instruction to deposit or remit funds, you determine in your absolute discretion that I do not have sufficient remaining individual quota under the Applicable Governing Requirements;
  - (c) in respect of any instruction to make a transaction order, you determine in your absolute discretion that I do not have sufficient funds to settle the payment obligation in respect of such order on the settlement day;
  - (d) in your opinion, I become ineligible to participate in the WMC Scheme including but not limited to, where I become (in your opinion) a Vulnerable Customer; or
  - (e) you see fit to do so.

You shall have no liability for any losses or risks

which may result directly or indirectly from such refusal, suspension, or termination of the Service.

- 3.8 If you become aware of any breach or non-compliance or suspected breach or non-compliance of the Applicable Governing Requirements by me, I agree and accept that you may file a report with or otherwise notify the Governing Authorities. The Governing Authorities may require you to provide relevant information and records relating to me, and I shall, upon your request, provide such information (including translations into Chinese if requested by you) to enable you to assist the relevant Governing Authority.
- 3.9 In the event of a breach or non-compliance or suspected breach or non-compliance of any Applicable Governing Requirements by me, you and/or the WMC Mainland Partner Bank may be requested or required by the Governing Authorities to take certain follow-up actions without prior notice to, or consent from, me, including but not limited to (i) suspending or revoking my eligibility to engage in the WMC Scheme, (ii) disposing the products held by me or allowing me to hold the products until redemption at maturity but prohibiting investment in any new products in the context of the Southbound Scheme, or (iii) terminating the Hong Kong WMC Accounts. I agree that you are entitled and authorized to take such follow-up actions as may be requested or required by the Governing Authorities.

#### **4. Eligible client**

- 4.1 I represent and undertake on a continuing basis (including without limitation on the first day that these WMC Terms are accepted by me and on each date I give an instruction under these WMC Terms), that:
- (a) my use of the Services and participation in the WMC Scheme under these WMC Terms does not violate any Applicable Governing Requirements;
  - (b) I am aware of and shall comply with all Applicable Governing Requirements;
  - (c) if I am a client under the Southbound Scheme:
    - i. I am a resident of Mainland China eligible to participate in the Southbound Scheme, am not a Vulnerable Customer and I am investing in my personal capacity as principal, and not as joint-name or corporate client;
    - ii. I have not authorized and will not authorize a third party to operate the Hong Kong Investment Account on

- my behalf;
  - iii. I am not maintaining or otherwise holding and will not open, maintain or otherwise hold any dedicated investment or remittance accounts with other banks in Hong Kong or Mainland China under the Southbound Scheme and I will not participate in the Southbound Scheme through other banks in Hong Kong or Mainland China apart from you and the WMC Mainland Partner Bank; and
  - iv. I will only open and maintain one Hong Kong Investment Account with you and I have not opened nor been maintaining any other Hong Kong Investment Accounts with you prior to the first day that these WMC Terms were accepted by me;
- (d) if I am a client under the Northbound Scheme:
- i. I am a Hong Kong resident who holds a Hong Kong identity card, am not a Vulnerable Customer and I am investing in my personal capacity as principal, and not as joint-name or corporate client;
  - ii. I have not authorized and will not authorize a third party to operate the Hong Kong Remittance Account on my behalf;
  - iii. I am not maintaining or otherwise holding and will not open, maintain or otherwise hold any dedicated investment or remittance accounts with other banks in Hong Kong or Mainland China under the Northbound Scheme and I will not participate in the Northbound Scheme through other banks in Hong Kong or Mainland China apart from you and the WMC Mainland Partner Bank; and
  - iv. I will only open and maintain one Hong Kong Remittance Account with you and I have not opened nor been maintaining any other Hong Kong Remittance Accounts with you prior to the first day that these WMC Terms were accepted by me.
- 4.2 I understand that if any of the representations, undertakings or statements I make to you generally and more particularly as set out in this Clause 4, is or becomes untrue, I shall inform you in writing immediately with full details and in which case you may at your discretion terminate the Hong Kong WMC Accounts in accordance

with Clause 14.3 and the Applicable Governing Requirements or otherwise in accordance with Clause 3.9 or as determined by you as you see fit and I shall have no claim against you for any loss suffered as a result. I will indemnify you for any costs borne by you and losses suffered by you if any of my representations under this Clause 4 are inaccurate, incomplete or misleading.

- 4.3 I acknowledge that you may conduct an assessment to determine whether I am a Vulnerable Customer prior to opening the Hong Kong WMC Accounts, when I enter into any transaction with you or obtain service from you and/or otherwise on an on-going basis as you see fit. I agree and accept that you will not open a Hong Kong WMC Account for me if I am in your opinion a Vulnerable Customer, and may vary or limit the scope of the Services provided to me if I subsequently become in your opinion a Vulnerable Customer. I undertake to notify you immediately if there is any change in personal circumstances that may result in me becoming a Vulnerable Customer. I acknowledge that it is my responsibility to provide you with up-to-date information relating to me, my personal circumstances and my knowledge and experience of the products or services concerned in order for you to comply with your obligations under the Applicable Governing Requirements, including but not limited to the on-going Vulnerable Customer assessment. I acknowledge that where you have offered certain Services to me while I am a Vulnerable Customer in contravention of the Applicable Governing Requirements because of my failure to provide you with information to allow you to make an assessment as to whether I am Vulnerable Customer or otherwise, I agree to comply with any follow-up actions required by you, including but not limited to liquidation or redemption of the relevant products and/or terminating the Hong Kong WMC Accounts and you shall have no liability whatsoever in respect of such actions taken by you.
- 4.4 Without prejudice to Clause 4.3 above, I acknowledge that you may only provide the Services to me upon completion of your internal assessments and onboarding procedures to your satisfaction. You have the sole discretion to refuse to open the Hong Kong WMC Accounts, or to suspend or terminate the Hong Kong WMC Accounts if in your opinion, I am not, or am no longer, eligible to participate in the WMC Scheme under the Applicable Governing Requirements.

## 5. WMC Accounts

- 5.1 For participation in the Southbound Scheme:
- (a) I shall open and maintain a Mainland

Remittance Account with the WMC Mainland Partner Bank in accordance with the Applicable Governing Requirements and prevailing policies and procedures of the WMC Mainland Partner Bank;

- (b) I shall apply for a Hong Kong Investment Account with you in accordance with the Applicable Governing Requirements and your prevailing policies and procedures (i) by one or more personal visits to the WMC Mainland Partner Bank's branch in Mainland China for verification of my identity, inspection of my identification documents and signing of the account opening documents and any other documentation as required by you in the presence of and certified by a representative of the WMC Mainland Partner Bank or (ii) by one or more personal visits to your branch in Hong Kong, subject to any follow-up requests by you for the purpose of account opening. For the avoidance of doubt, the Hong Kong Investment Account will not be opened until your approval is obtained;
- (c) I acknowledge and agree that the Mainland Remittance Account and the Hong Kong Investment Account are opened and maintained solely for the purposes of closed-loop fund movement from the Mainland Remittance Account to the Hong Kong Investment Account for investment in the WMC Products offered by you in Hong Kong under the Southbound Scheme. The Hong Kong Investment Account and the Mainland Remittance Account are paired on a one-to-one basis to ensure a closed-loop fund flow;
- (d) I acknowledge and agree that the Hong Kong Investment Account shall be used only for the purposes under the Southbound Scheme and not for any other services provided by you;
- (e) I acknowledge and agree that the Hong Kong Investment Account may only be used to transfer funds to or receive funds from the Mainland Remittance Account and to receive investment returns arising from the Southbound Scheme investments, and funds in the Hong Kong Investment Account may only be used to purchase eligible WMC Products through you (or for entering into foreign exchange transactions with you where the proceeds are wholly used to purchase eligible WMC Products not denominated in RMB) or to

be remitted to the Mainland Remittance Account;

- (f) no cash withdrawal from the Hong Kong Investment Account, transfer of funds in the Hong Kong Investment Account to other accounts (whether in Hong Kong or otherwise) or usage or remittance of funds in the Hong Kong Investment Account other than for the purposes specified in Clause 5.1(e) is permitted;
- (g) I acknowledge and agree that I shall not charge, assign, pledge or otherwise create any security or similar interest in favour of you or any third party over any assets in the Hong Kong Investment Account (including interest income accruing in the Hong Kong Investment Account) and shall not use any credit balance standing to the Hong Kong Investment Account as leverage or guarantee; and
- (h) in respect of the Hong Kong Investment Account, the following clauses in the General Terms are disappplied:
  - i. Clauses 12, 18 and 24 in the Account Terms; and
  - ii. Clauses 13.3 and 15 in the Securities Terms; andnotwithstanding the above disapplication of specific clauses in the General Terms, any other clauses in the General Terms which are or may in your opinion be inconsistent with or would contravene the Applicable Governing Requirements shall also be disappplied.

#### 5.2 For participation in the Northbound Scheme:

- (a) I shall open and maintain a Mainland Investment Account with the WMC Mainland Partner Bank in accordance with the Applicable Governing Requirements and the prevailing policies and procedures of the WMC Mainland Partner Bank;
- (b) I shall open and maintain a Hong Kong Remittance Account in accordance with the Applicable Governing Requirements and your prevailing policies and procedures. For the avoidance of doubt, the Hong Kong Remittance Account will not be opened until your approval is obtained;
- (c) I acknowledge and agree that the Hong Kong Remittance Account and the Mainland Investment Account are opened and maintained solely for the purposes of closed-loop fund movement from the Hong Kong Remittance Account to the Mainland Investment Account for

investment in products offered by the WMC Mainland Partner Bank in Mainland China under the Northbound Scheme. The Hong Kong Remittance Account and the Mainland Investment Account are paired on a one-to-one basis to ensure a closed-loop fund flow;

- (d) in respect of the Hong Kong Remittance Account, any clauses in the General Terms which are or may in your opinion be inconsistent with or would contravene the Applicable Governing Requirements shall be disapplied; and
  - (e) the WMC Mainland Partner Bank is not an authorized institution as defined in the Banking Ordinance (Cap. 155, Laws of Hong Kong) and is not subject to the supervision of the HKMA. The WMC Mainland Partner Bank cannot carry on in Hong Kong any banking business or business of taking deposits. Any deposits maintained with the WMC Mainland Partner Bank are not protected under the Deposit Protection Scheme in Hong Kong.
- 5.3 I am deemed to have declined or forfeited my request to open a Hong Kong WMC Account if I do not complete your account opening procedures within the specified time frame. In such situation, upon the expiry of the specified time frame, my account documentation will not be returned to me and will be destroyed by you. However, I agree and accept that some of the system recorded data made by my self-input in your online platform or otherwise submitted to you will only be deleted after the expiry of your applicable record keeping period.
- 5.4 I undertake to notify you immediately if there is any material change of terms governing, or termination of, the Mainland Remittance Account or Mainland Investment Account.
- 5.5 I acknowledge that you are not an agent or representative for the WMC Mainland Partner Bank. I must contact the WMC Mainland Partner Bank directly with respect to any issues in relation to the Mainland WMC Accounts, including without limitation, any account information update or notification, order taking or post-sale support.
- 5.6 If I am eligible and intend to participate in the WMC Scheme under both the Southbound Scheme and Northbound Scheme, a separate Hong Kong Investment Account and Hong Kong Remittance Account shall be opened with you.
- 5.7 I acknowledge and agree that you offer various types of accounts to clients but only the Hong Kong WMC Accounts will be made available by

you to me under the WMC Scheme. You shall have discretion on the types of WMC products you may offer under the Southbound Scheme and you may not offer all types of products permissible under the Applicable Governing Requirements.

- 5.8 Without prejudice to Clause 15, I acknowledge and consent that you may share information relating to my Hong Kong WMC Account (including the account numbers) with the WMC Mainland Partner Bank. In particular, I specifically consent to the recording of all conversations and the recording of all communications (including electronic communications) between you and me and to your retention, use, disclosure and transfer of such recordings at your discretion to comply with the Applicable Governing Requirements.
- 5.9 I will indemnify you against any costs borne by you and losses suffered by you if any of my representations under this Clause 5 are inaccurate, incomplete or misleading.
- 5.10 I agree and accept that you may produce a Citibank ATM/Debit Card in respect of my Hong Kong WMC Account solely for the purpose of providing certain information required for me to gain access to Citibank Online/Mobile Banking and Citiphone services and any other access or services as may be offered by you from time to time (such as any code, card number, confidential code, PIN/password or one time password). I hereby agree that:
- (a) if I have received a Citibank ATM/Debit Card from you,
    - i. I shall not use my Citibank ATM/Debit Card in respect of my Hong Kong WMC Account to effect banking transactions by electronic means at any terminal located anywhere including any transactions on any Hong Kong WMC Accounts;
    - ii. I shall return to you the ATM/Debit Card immediately upon your request; and
  - (b) the “Terms and Conditions for Citibank ATM/Debit Card Services and Citiphone Services” shall apply to the extent applicable to the limited use of the Hong Kong WMC Accounts under these WMC Terms and only when a Citibank ATM/Debit Card and/or the Citiphone Services are made available to me.

## **6. Fund remittance and investment quota**

- 6.1 Under the Southbound Scheme, I agree and accept that:

- (a) outward remittance from the Mainland Remittance Account to the Hong Kong Investment Account is subject to an aggregate quota that applies to all remittances from Mainland China to Hong Kong and Macao (the “**Southbound Aggregate Quota**”) and an individual investor quota that applies to me (the “**Southbound Individual Investor Quota**”) and you will not accept any remittance into my Hong Kong Investment Account if the Southbound Aggregate Quota or the Southbound Individual Investor Quota will or may be breached as a result of the proposed remittance;
- (b) without prejudice to Clause 6.1(a), if (i) such remittance exceeds the Southbound Aggregate Quota, the processing of instructions for remittances from Mainland China to Hong Kong may be suspended, and/or (ii) such remittance exceeds the Southbound Individual Investor Quota, you may refuse to accept such funds or return the funds in excess to the Mainland Remittance Account; and
- (c) all remittances between the Hong Kong Investment Account and Mainland Remittance Account must be made in RMB and therefore you may (but are not obliged to) enter into foreign exchange transactions with me to convert RMB into foreign currencies based on the prevailing market exchange rate as quoted by you from time to time for purchasing WMC Products not denominated in RMB and the investment returns arising from the Southbound Scheme investments must be converted into RMB (if not already in RMB) before such remittance.

6.2 Under the Northbound Scheme, I agree and accept that:

- (a) outward remittance from the Hong Kong Remittance Account to the Mainland Investment Account is subject to an aggregate quota that applies to all remittances from Hong Kong and Macao to Mainland China (the “**Northbound Aggregate Quota**”) and an individual investor quota that applies to me (the “**Northbound Individual Investor Quota**”) and you shall not proceed with any outward remittance if the Northbound Aggregate Quota or the Northbound Individual Investor Quota will or may be breached as a result of the proposed remittance;

- (b) without prejudice to Clause 6.2(a), if (i) such remittance exceeds the Northbound Aggregate Quota, the processing of instructions for remittances from Hong Kong to Mainland China may be suspended, and/or (ii) such remittance exceeds the Northbound Individual Investor Quota, you will not proceed with the remittance from the Hong Kong Remittance Account to the Mainland Investment Account or only proceed with the remittance of my remaining Northbound Individual Investor Quota;
- (c) funds in the Hong Kong Remittance Account may only be remitted to the Mainland Investment Account, or to or from my other accounts (whether held with you or otherwise) without involving cross-border remittance to Mainland China;
- (d) no usage of funds in the Hong Kong Remittance Account other than for the purposes specified in Clause 6.2(c) is permitted; and
- (e) all remittances between the Hong Kong Remittance Account and Mainland Investment Account must be made in RMB and therefore you may (but are not obliged to) enter into foreign exchange transactions with me to convert HKD or other foreign currencies into RMB based on the prevailing market exchange rate as quoted by you from time to time before remitting the RMB to the Mainland Investment Account.

6.3 The quotas referred to in Clauses 6.1 and 6.2 are calculated on a net basis (after taking into account fees and charges to be imposed and collected by you (as you may from time to time specify in the service fee booklet) and/or the WMC Mainland Partner Bank) and are subject to changes from time to time.

## 7. Eligible Products

- 7.1 Under the Southbound Scheme, you may distribute eligible WMC Products to me. You have the sole discretion to offer only a subset of the range of products offered by you to your clients.
- 7.2 You may from time to time set limits on my investment in any of the WMC Products and vary such limits.
- 7.3 Where you, in the course of your ongoing product due diligence of a WMC Product you have distributed to me, upward adjust the product risk

rating of such WMC Product or determine such WMC Product is no longer suitable for inclusion under the Southbound Scheme, you may, but not obliged to, notify me unless required by Applicable Governing Requirements. I understand that you are not obliged to provide any solicitation or recommendation to me in such circumstance and any such notification shall not be construed as you soliciting or providing recommendation on the corresponding WMC Product to me.

- 7.4 Under the Southbound Scheme, additional terms governing the transactions in respect of the WMC Products may be set out separately in the offering and/or transactional documentation. I shall read such documentation carefully and shall ensure that I understand, in particular, the risks, restrictions and settlement procedures of the WMC Products before subscribing, as the features of the WMC Products may differ from the products available in Mainland China. I agree and accept that such offering and/or transactional documentation may not always be available in Chinese and I shall be responsible for translating such documentation and taking independent advice if I deem this to be necessary or desirable.
- 7.5 Under the Northbound Scheme, you will not distribute any products or otherwise provide any services to me, other than the opening and maintenance of the Hong Kong Remittance Account and effecting closed-loop fund remittance between the Hong Kong Remittance Account and the Mainland Investment Account. You shall not be obliged to conduct any due diligence on the eligibility of the products offered by the WMC Mainland Partner Bank.

## **8. Representations, warranties and undertakings in relation to the Southbound Scheme**

### **8.1 Under the Southbound Scheme:**

- (a) I represent that the information provided to you for account opening is true, accurate and complete. Notwithstanding that an official English translation of my particulars may not be available, I confirm that the particulars I provided in English upon account opening (including my English name or my alias) are true and accurate to the best of my knowledge and I agree that you may address and send communications to me based on the information provided (including my English name or my alias) in all notices and communications with me;
- (b) I agree and accept that the Services

provided by you may be limited by the fact that I am not physically present in Hong Kong. I agree and accept that you shall not provide solicitation or recommendation in respect of the WMC Products to me save when I am physically in Hong Kong, and even where I am physically in Hong Kong, you are not obliged to solicit or recommend any WMC Products to me; and

- (c) I agree and accept that the activities in relation to the Mainland Remittance Account are governed by the Applicable Governing Requirements under Mainland Chinese laws whereas those in relation to the Hong Kong Investment Account are governed by Hong Kong laws. The Applicable Governing Requirements under the Hong Kong laws are different from those under Mainland Chinese laws and although you are regulated by the HKMA and the SFC, the regulation of the HKMA and the SFC may be different from the regulation of the Governing Authorities in Mainland China, and the protection that I may receive hereunder might not be the same as the protection that I would receive if you were licensed by the Governing Authorities in Mainland China. I confirm that I shall observe and comply with all Applicable Governing Requirements at all times, particularly the Applicable Governing Requirements under Hong Kong laws in respect of my Hong Kong Investment Account.

## **9. Representations, warranties and undertakings in relation to the Northbound Scheme**

### **9.1 Under the Northbound Scheme:**

- (a) you may only open and maintain a Hong Kong Remittance Account for me and process remittance instructions to the Mainland Investment Account, but may not provide any other services in respect of the WMC Scheme to me;
- (b) I agree and accept that the WMC Mainland Partner Bank is solely responsible for the offering of products to me under the Northbound Scheme. It is my own obligation to conduct appropriate and adequate research and assessment on the WMC Mainland Partner Bank and the products offered by it, and you give no advice or recommendation and make no representation or warranty regarding the



- WMC Mainland Partner Bank, whether in relation to its regulated status, capabilities, financial soundness, fitness or properness or any other matter, or the products offered by it;
- (c) I agree and accept that solely the WMC Mainland Partner Bank (and not you) is responsible for:
- i. determining whether any particular product is eligible for inclusion under the Northbound Scheme;
  - ii. performing due diligence on the products;
  - iii. the sale and distribution, purchase, execution of transactions in relation to and custody of the products;
  - iv. ensuring compliance with any applicable legal and regulatory requirements in respect of the due diligence, sale, solicitation, distribution or purchase of the products, including in relation to ensuring the suitability of any products (or any transaction in any products) for me (to the extent required under the Applicable Governing Requirements); and
  - v. the truth, accuracy and completeness of any information disclosed to me in relation to the products or the WMC Mainland Partner Bank;
- (d) neither you nor any of your representatives shall be responsible for or liable to me for any consequences arising from transactions in the products offered by the WMC Mainland Partner Bank, or from any interactions I may have with the WMC Mainland Partner Bank or for any failure or default on the part of WMC Mainland Partner Bank in rendering services to me or any losses incurred as a result of such services or transactions in the products offered by the WMC Mainland Partner Bank;
- (e) none of the documents or materials prepared by the WMC Mainland Partner Bank in relation to the products have been reviewed by you, and you are not responsible for (nor do you make any representation or warranty in respect of) their accuracy and completeness or for their compliance with the Applicable Governing Requirements; and
- (f) I agree and accept that the activities in relation to the Hong Kong Remittance

Account are governed by the Applicable Governing Requirements under Hong Kong laws whereas those in relation to the Mainland Investment Account are governed by Mainland Chinese laws. The Applicable Governing Requirements under the Mainland Chinese laws are different from those under Hong Kong laws and although the WMC Mainland Partner Bank is regulated by another regulatory body, the regulation of such regulatory body may be different from the regulation of the HKMA and the SFC, and the protection that I may receive under the regulation of that regulatory body might not be the same as the protection that I would receive if it were licensed by the HKMA and the SFC. I acknowledge that I am responsible for understanding the rules and procedures relevant to transactions in the eligible products offered by the WMC Mainland Partner Bank and for considering my own circumstances before making any investment decisions. I confirm that I shall observe and comply with all Applicable Governing Requirements at all times.

## 10. Conflicts of interest

10.1 I acknowledge and hereby agree that you (and your personnel) may obtain from and keep or pay to the WMC Mainland Partner Bank any profits, commissions and fees in connection with my transactions under the WMC Scheme through you or the WMC Mainland Partner Bank (as the case may be). I further agree that under the Northbound Scheme, you may receive remuneration from the WMC Mainland Partner Bank in consideration of the opening of the Mainland Investment Account by me as well as for transactions in products offered by the WMC Mainland Partner Bank and executed by the WMC Mainland Partner Bank for me.

10.2 I agree and accept that you may receive from and pay to third parties (including product issuers) fees, commissions or other benefits and may share charges in respect of the Services provided to me with such third parties.

## 11. Complaint handling

11.1 In the context of the Southbound Scheme, I agree and accept that I may contact you through the channels as set out on your website if I have any complaints or suggestions on the Hong Kong Investment Account, the WMC Products offered by you and any Services under the Southbound

Scheme. You shall refer any complaints or suggestions on the cross-boundary fund remittances under the Southbound Scheme to the WMC Mainland Partner Bank.

11.2 In the context of the Northbound Scheme, I agree and accept that I may contact you through the channels as set out on your website if I have any complaints or suggestions on the Hong Kong Remittance Account or cross-boundary fund remittances and any Services under the Northbound Scheme. You shall refer any complaints or suggestions on the products and services under the Northbound Scheme offered by the WMC Mainland Partner Bank to the WMC Mainland Partner Bank.

11.3 I consent to your referral of my complaint and as necessary together with the relevant personal or transaction information to the WMC Mainland Partner Bank or any Governing Authorities as you deem fit.

## 12. Fees and Taxation

12.1 I may be charged commission, fees, mark-ups or markdowns, costs and expenses charged to or incurred by you for providing the Services to me. Details of the fees payable in connection with the Services are set out in the service fee booklet provided by you or any other agreements as may be entered into between you and me in respect of the Services under the Hong Kong WMC Account (including but not limited to fees associated with the transactions in the Hong Kong Investment Account) (where applicable) from time to time. I agree to pay promptly any such fees and that you may deduct such fees directly from my Hong Kong WMC Account.

12.2 I am responsible for paying all fees, charges, levies and taxes, and I undertake that I will comply with any filing or registration obligations, in each case as may be required under any Applicable Governing Requirements relating to any investments under, and any dividends or entitlements in respect of, the WMC Scheme. Any and all payments (whether of principal, interest, fee or otherwise) to be made by me under these WMC Terms or under any instrument delivered hereunder shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect thereto (collectively the “taxes”). If I am required by any law or regulation to make any deduction or withholding on account of any taxes from any such sums payable by me, I shall, together with such sums, immediately pay or account for such additional

amount as will ensure that you receive or are credited (free and clear of the taxes) the full amount which you would have received or been credited if no such deduction or withholding had been required. Upon your request, I will promptly forward to you copies of official receipts or other evidence showing that the full amount of any such deduction or withholding has been paid over to the relevant taxing or other authority.

12.3 I agree and accept that you assume no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with the WMC Scheme, nor will you provide any service or assistance in this regard. Prior to investing under the WMC Scheme, I agree and accept that I shall consult my own tax advisers and counsel with respect to the possible tax consequences to me of such investment since such tax consequences may differ in respect of different investors.

## 13. Indemnity

13.1 In addition and without prejudice to any of your rights under the Account Terms and these WMC Terms, I will indemnify and hold you (together with any other person appointed by you and their respective officers and employees) harmless against, and to reimburse each of you in respect of, any costs and expenses of reasonable amount and reasonably incurred, and any losses arising directly or indirectly from you providing the Services to me, including, without limitation, to (a) any taxes resulting from any investment under the WMC Scheme; or (b) any legal costs which you may incur in connection with any instruction given by me, in each case other than those claims, demands, actions, proceedings, damages, costs, expenses, losses and liabilities which are a direct result of your fraud, willful default or negligence.

## 14. Termination

14.1 In the context of the Southbound Scheme, if I indicate to you my intention to terminate the Hong Kong Investment Account, I shall complete all necessary requirements and steps as required by you including but not limited to investment redemption orders for the asset in the Hong Kong Investment Account and provide remittance instruction to you for the remaining balance in the Hong Kong Investment Account to be remitted to the Mainland Remittance Account, and provided that no WMC Products nor funds remain in the Hong Kong Investment Account, before you carry out my instruction to terminate the Hong Kong Investment Account.

14.2 In the context of the Northbound Scheme, I may

only terminate the Hong Kong Remittance Account if the Mainland Investment Account has been terminated and I have provided remittance instruction to you for the remaining balance in the Hong Kong Remittance Account to be transferred to an account in Hong Kong designated by me or any other account held with you and completed all other necessary requirements and steps as required by you, and provided that no products nor funds remain in the Mainland Investment Account, before you carry out my instructions to terminate the Hong Kong Remittance Account.

14.3 To the extent permissible under the Applicable Governing Requirements, you may, without prior notice to me, terminate the Services if:

- (a) I am no longer eligible to participate in the WMC Scheme;
- (b) I have been assessed by you to be a Vulnerable Customer;
- (c) you suspect that I have breached or otherwise not complied with any of the Applicable Governing Requirements;
- (d) any representations or warranties made by me being incorrect, incomplete, untrue or ceasing to be true in any material respect;
- (e) the Governing Authorities have requested you to do so;
- (f) you are no longer eligible to participate in the WMC Scheme or have withdrawn from the WMC Scheme; or
- (g) you see fit to do so.

Without prejudice to Clause 3.9 above, in each case, (i) under the Southbound Scheme, I shall redeem and/or liquidate all investments and assets in the Hong Kong Investment Account and any remaining balance in the Hong Kong Investment Account will be remitted to the Mainland Remittance Account and; (ii) under the Northbound Scheme, any remaining balance in the Hong Kong Remittance Account will be remitted to an account in Hong Kong designated by me or any other account of mine with you.

14.4 I shall be solely responsible for any costs incurred in relation to the termination of the Hong Kong WMC Account under these WMC Terms including but not limited to any costs incurred for redemption of investments and remittance of funds and to the extent permitted under the Applicable Governing Requirements, you shall not be liable for any losses suffered by me pursuant to the termination.

## **15. Consent for use and disclosure of personal data**

15.1 I acknowledge and agree that in providing the WMC Products to me, you may be required to provide the Governing Authorities and/or the WMC Mainland Partner Bank my personal and account information including my name, account numbers and balance and/or other information as the Governing Authorities and/or the WMC Mainland Partner Bank may request from time to time under the Applicable Governing Requirements. Without limitation to any notification I have given you or consent you have obtained from me in respect of processing my personal data in connection with my accounts and services with you, I acknowledge and agree that you or any person who has obtained such data from you or the relevant Citi Entity (as defined below) may collect, store, use, disclose and transfer personal data relating to me as required as part of the Services, including as follows:

- (a) to disclose and transfer my personal data to the WMC Mainland Partner Bank, its affiliates and personnel for the purpose of account opening, on-going reporting and monitoring of compliance with the Applicable Governing Requirements;
- (b) to allow you to disclose my personal data to the relevant Governing Authorities and law enforcement agencies so as to facilitate the performance of their statutory, surveillance and enforcement functions; and
- (c) to allow the WMC Mainland Partner Bank, its affiliates and personnel to disclose my personal data to the relevant Governing Authorities and law enforcement agencies having jurisdictions over it so as to facilitate the performance of their statutory, surveillance and enforcement functions.

15.2 By instructing you in respect of any transaction relating to the WMC Products, I acknowledge and agree that you, or any person who has obtained my personal data from you may use such data for the purposes of complying with the Applicable Governing Requirements in force from time to time in connection with the WMC Scheme. I also acknowledge that despite any subsequent purported withdrawal of consent by me, my personal data collected prior to the withdrawal may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent.

15.3 Failure to provide you with my personal data or consent as described above may mean that you will not or no longer be able to carry out my instructions or provide me with the WMC

Products.

15.4I acknowledge I have read and understand the contents of this Clause 15 and the Policy Statement relating to the Personal Data (Privacy) Ordinance of Citibank, N.A. Hong Kong Branch, Citibank (Hong Kong) Limited, Citicorp International Limited and Diners Club International (Hong Kong) Limited (each a "**Citi Entity**") or any person who has obtained such data from you or any Citi Entity as any of you or the relevant Citi Entity considers appropriate. In addition to this consent or other account opening documents which I have signed up and agreed to be bound by, by participating in and trading under the WMC Scheme, I shall be deemed to have given my consent for the relevant Citi Entity to use my personal data on the terms of and for the purposes set out in this Clause 15 and the Policy Statement relating to the Personal Data (Privacy) Ordinance.

## 16. Risk disclosure

I agree and accept that this Clause 16 describes some of the key risk factors and other information concerning the WMC Scheme but does not disclose all the risks and other significant aspects of the WMC Scheme. The risk disclosures contained herein are not, and do not purport to be, exhaustive. I agree and accept the nature and risks of the WMC Scheme and I have considered carefully whether participating in the WMC Scheme is suitable for me in light of my circumstances. The decision to participate in the WMC Scheme is mine, and I have fully understood and am willing to assume the risks associated with the WMC Scheme and am able to comply with all relevant Applicable Governing Requirements. I acknowledge the risks and agree to the terms set out in this Clause 16.

### 16.1 Regulatory/policy risk

The WMC Scheme is a pilot scheme implemented by the Governing Authorities to facilitate cross-boundary investment by individual residents in areas including Hong Kong and Mainland China. Any transaction or services provided under the WMC Scheme will be subject to the Applicable Governing Requirements as well as the policy of the Governing Authorities as may be updated from time to time. Such changes or updates may in turn affect the products purchased under the WMC Scheme. I agree and accept that it is impossible to predict whether such an impact caused by any such change will be positive or negative for products purchased under the WMC Scheme. I agree and accept that in the worst-case scenario, I may lose a material part of or all my investments

in products purchased under the WMC Scheme.

These WMC Terms highlight certain key features of WMC Scheme currently in force. These WMC Terms do not purport to cover all Applicable Governing Requirements. I agree and accept that I shall be fully responsible for understanding and complying with all Applicable Governing Requirements. You do not, and do not intend to, advise me on any Mainland Chinese or Hong Kong laws and regulations. For further information, I shall refer to the relevant information on the HKMA website and/or the SFC website relating to WMC Scheme as updated from time to time.

### 16.2 Legal or regulatory risks in relation to cross-border investment

The laws and rules of Hong Kong and Mainland China (as the case may be) shall apply to investors of WMC Scheme. The Mainland WMC Accounts are located in Mainland China and opened with the WMC Mainland Partner Bank in which case the Mainland Chinese securities and banking laws and regulations and other Mainland Chinese law apply to me. The Hong Kong WMC Accounts are located in the Hong Kong and opened with you, in which case Hong Kong securities and banking laws and regulations and other Hong Kong law apply to me.

I will be subject to both Mainland Chinese and Hong Kong laws and regulations, regardless of participating in the Southbound Scheme or Northbound Scheme. In any event, I agree and accept that if any such applicable laws and regulations are breached, the relevant Governing Authorities have the power to carry out investigations and/or impose any restriction and penalty.

### 16.3 Quota restrictions

For the Southbound Scheme, outward remittance from Mainland China to Hong Kong is subject to the Southbound Aggregate Quota and the Southbound Individual Investor Quota. As a result, if the usage of such quota reaches its upper limit, you may not accept outward remittance from Mainland China to Hong Kong and may have to put on hold my outward remittance instruction, refuse to accept such funds or return the funds in excess to the Mainland Remittance Account (as the case may be). Any instruction to buy WMC Products may be put on hold or limited to the funds available in the Hong Kong Investment Account if I cannot remit sufficient funds from Mainland China. Inward returning remittance from Hong Kong to Mainland China will not be affected.

For the Northbound Scheme, outward remittance

from Hong Kong to Mainland China is subject to the Northbound Aggregate Quota and the Northbound Individual Investor Quota. As a result, if the usage of such quota reaches its upper limit, you may not accept outward remittance from Hong Kong to Mainland China and may have to put on hold my outward remittance instructions or not proceed with the outward remittance. Any instruction to buy products via the WMC Mainland Partner Bank may be put on hold or limited to the funds available in the Mainland Investment Account if I cannot remit sufficient funds from Hong Kong. Inward returning remittance from Mainland China to Hong Kong will not be affected.

#### 16.4 Account information and transaction record

Information relating to me, transaction records of the Hong Kong WMC Accounts and information relating to any trading under the WMC Scheme, including the inflow and outflow of funds, trading of WMC Products and any interest or dividend income, will be submitted to the Governing Authorities and the WMC Mainland Partner Bank from time to time pursuant to the Applicable Governing Requirements. You will not notify me or, obtain prior consent from me, before submitting such records or information.

#### 16.5 Regulatory actions

You are obliged to file a report with the HKMA if you become aware of a breach or non-compliance of the Applicable Governing Requirements by me, without prior notice to, or consent from, me. The Governing Authorities may require you and/or the WMC Mainland Partner Bank to take certain follow-up actions without prior notice to, or consent from, me, including (i) suspending or revoking my eligibility to engage in the WMC Scheme, (ii) disposing of the products under the WMC Scheme held by me, (iii) terminating the Mainland Investment Accounts and/or the Hong Kong WMC Accounts and/or (iv) allowing me to hold the products until redemption at maturity but prohibiting investment in any new products.

#### 16.6 Investor Compensation Fund

I agree and accept that, in investing under the WMC Scheme, I will not enjoy the protection afforded by the investor compensation fund established under the SFO.

#### 16.7 Client error

I agree and accept that you will not be liable for any loss, damage or expense or consequential loss suffered by me as a result of any investment based on my instructions. You may not be able to (and are not in any case obliged to) unwind any trade, and I shall also take note of the

arrangements in respect of investments under the WMC Scheme, including but not limited to quota restrictions which may affect my ability to mitigate the consequences of any error trades. You shall have absolute discretion to determine whether to rectify any error trade and shall have no obligation to do so. You shall have no liability for any losses which may result directly or indirectly from such error trades or any refusal to conduct a transfer to correct an error trade.

#### 16.8 RMB risks and exchange risks

All remittances under the WMC Connect Scheme must be in RMB. I agree and accept that RMB is not yet freely convertible in Hong Kong, and is subject to foreign exchange controls and restrictions from time to time required by the relevant Governing Authority(ies). Particularly, conversion of RMB through banks in Hong Kong is subject to certain restrictions. It may be difficult for me to convert RMB into HKD or other currencies or vice versa at any specific time, and conversion will be subject to conversion costs and such costs and timings for conversion may not be of my preference. In addition, the value of RMB against HKD or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate. A depreciation of RMB may result in a decrease in the market value of the RMB securities and the realization price of the RMB securities. For non-RMB based investors who are trading in RMB securities, they may also sustain loss in the event that they subsequently convert any RMB proceeds back to HKD or other base currencies. There are also significant restrictions on the remittance of RMB into and out of Mainland China. If the issuer of the RMB securities is not able to remit RMB to Hong Kong or make distributions in RMB due to exchange controls or other restrictions, the issuer may make distributions (including dividends and other payments) in other currencies. I may therefore be exposed to additional foreign exchange risk and liquidity exposures.

Under the Southbound Scheme, if I measure my investment returns by reference to RMB, an investment in the non-RMB denominated WMC Products entails foreign exchange related risks, including possible significant changes in the value of that foreign currency relative to RMB by reference to which I measure my investment returns. In addition, there may be tax consequences for me as a result of any foreign currency gains resulting from any investment in non-RMB denominated WMC Products. Under the Northbound Scheme, if I measure my investment returns by reference to HKD or other

foreign currencies, an investment in the RMB denominated products entails foreign exchange related risks, including possible significant changes in the value of HKD or that foreign currency by reference to which I measure my investment returns relative to RMB.

#### **16.9 General risks related to the Mainland China**

Mainland China is an emerging market that possesses one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, liquidity/gapping risk, regulatory/legal risk, trade settlement, processing and clearing risks and bondholder/shareholder risk.

#### **17. Miscellaneous**

17.1 I will provide to you all information (including translations into Chinese, if required) which you request if such information is requested by the Governing Authorities. I acknowledge that my failure to comply with this Clause 17.1 may, among other things, result in the termination of the Services.

17.2 I will execute any further documents and provide any materials and/or information as you may request to enable you to perform your duties and obligations under these WMC Terms which may become necessary as and when the Applicable Governing Requirements are amended from time to time.

17.3 You may from time to time amend these WMC Terms by sending me a written notice detailing the relevant amendments. Such amendments will become effective and binding on me on a date to be specified in the notice which shall not be less than any minimum period prescribed by any applicable legal or regulatory requirements. I acknowledge and agree that if I do not accept any amendments to these WMC Terms as notified by you from time to time, I will instruct you to terminate the Services and the Hong Kong WMC Account in accordance with these WMC Terms. My use or maintenance or continued use or maintenance of the Services or the Hong Kong WMC Account after the effective date specified in the notice shall constitute my acceptance of the amendments.

17.4 I confirm that I have read the English/Chinese version of these WMC Terms and that the contents thereof, which have been fully explained

to me in a language which I understand and that I agree and accept these WMC Terms. The English version shall prevail in the event of any discrepancy between the English version and the Chinese version of these WMC Terms.

#### **18. Governing Law and Jurisdiction**

The governing law and jurisdiction clauses in the Account Terms shall also apply to these WMC Terms.