



## Rules Amendment Regarding Restrictions On Mainland Investors from Northbound Trading Under Stock Connect

Dear Valued Customers:

The [CSRC](#), [SSE](#) and [SZSE](#) have announced their rule amendments (in Chinese only) in relation to restricting Mainland investors from Northbound Trading under Stock Connect with **effect from 25 July 2022 (the Effective Date)**.

**Mainland investors include:** (a) individuals that possess Mainland ID documents; (b) holders of a joint account if one of the holders is considered as Mainland investor under (a); and (c) corporate or unincorporated entities which are registered in the Mainland.

The **following investors will not be considered as “Mainland investors”** and **may continue to buy and sell China Connect Securities through Northbound Trading under Stock Connect:**

- Any individual who holds a Permit for Proceeding to Hong Kong and Macao, i.e. One-way Permit (前往港澳通行證, i.e. 單程證) or who has obtained an identity document as proof of permanent residence in a country or region outside Mainland China; &
- Any branch or subsidiary of a corporate or unincorporated entity registered in Mainland China which branch or subsidiary is lawfully registered in Hong Kong or overseas.

The key implementation arrangements are as follows:

- 1) From the Effective Date, Mainland investors **cannot open new Stock Connect accounts** for trading China Connect Securities via Northbound Trading;
- 2) There will be a **1-year transitional period** (from 25 July 2022 to 23 July 2023) from the Effective Date, during which Mainland investors **could still buy and sell China Connect Securities through Northbound Trading under Stock Connect;**
- 3) After the transitional period (from 24 July 2023):
  - (A) Mainland investors **shall not buy any China Connect Securities through Northbound Trading under Stock Connect** (including subscription for right issues (配股)), but excluding obtaining China Connect Securities passively as a result of corporate actions (such as distribution of stock dividends); &
  - (B) **Existing China Connect Securities** held by Mainland investors **could be sold by tagging the reserved value prescribed by the Exchange.**

Should you have any queries, please contact your Sales or Account Executive or our Customer Service Hotline at (852) 2250 8298 (Hong Kong) / 400-120-0363 (China Toll Free) or via email [customer.service@swwhyk.com](mailto:customer.service@swwhyk.com).

### Shenwan Hongyuan Securities (H.K.) Limited

Before making any investment decision, investors should carefully consider their own circumstances, risk tolerance level, investment experience and investment objectives. If they are in doubt, they should seek independent professional advice.



Follow Our WeChat

Sws218hk

(852) 2509 8333

(852) 2509 0018

香港軒尼詩道 28 號 19 樓

[www.swwhyk.com](http://www.swwhyk.com)

Sws218hk

Level 19, 28 Hennessy Road, Hong Kong

