

CSDs: SD&amp;C Shenzhen Branch (China)

Date: 21 Sep 2012

SMI Markets: China

CMIRR Markets: China

## SD&C Shenzhen Branch Amends Guideline on Securities Account

On 19 September 2012, SD&C Shenzhen Branch issued a revised Guideline on Securities Account of Special Investors (the 2012 Guideline), which is a supplement / amendment to the 2006 Guideline. The main changes under the new guideline applicable to foreign institutional investors are as follows:

- **Multiple Securities Accounts**
  - Qualified Foreign Institutional Investors (QFII) can open multiple securities accounts for different purposes. The restriction to open only one securities account is removed.
- **Securities Account Opening**
  - Custodian bank's qualification approvals, business licence and power of attorney are no longer required;
  - Custodian bank needs to issue a confirmation letter on QFII's foreign currency account and special CNY / RMB account;
  - The error trade handling procedures between QFIIs and local broker / custodian bank;
  - The securities account name should be the same as the name of special CNY / RMB account.
- **Changes to Securities Account Information**
  - For the change of custodian bank for QFIIs, SD&C Shenzhen will send the clearing file to the new custodian after market closure on the application date / trade date, and the new custodian will be responsible for the clearing and settlement activities from T+1;
  - For the change of local broker, QFIIs will place the orders via the existing local broker on the application date / trade date, and start to use the new local broker from T+1.
- **Securities Account Closure**
  - QFIIs should make the application of securities account closure to SD&C Shenzhen via a custodian bank, if their Securities Investment Business Licences and Foreign Exchange Certificates become invalid.

Furthermore, the guideline stipulates the securities account opening procedures for CNY / RMB Qualified Foreign Institutional Investors (RQFII). The procedures for the change of securities account information and securities account closure are consistent with the procedures for dealing with QFIIs' accounts.

For the related official publication, please refer to the SD&C Shenzhen notice here: [Guideline on the Securities Account of Special Investors](#) (in Chinese only).

### CSD Risk Impact

#### SD&C Shenzhen Branch (China)

CSD Rating: A-

CSD Flash Impact: Stable

This newflash is for information only.

### Market Information Impact

## China

This information affects the data contained in the Market Entry Requirements sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### China

Market Rating: A-

Market Flash Impact: Stable

This newsflash is for information only.

Related Flash: [PBOC to Allow Multiple CNY Settlement Accounts for QFIIs - Update, 21/08/2012 \(click to view\)](#)

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