

SMI Markets: China

Date: 12 Feb 2014

CMIRR Markets: China

CSDs: CSDC Shenzhen Branch (China), CSDC Shanghai Branch (China)

CSDC Consultation on Amendments to Securities Accounts Management Rules

The China Securities Depository and Clearing Corporation Limited (CSDC) has released a draft on the revised Securities Accounts Management Rules in relation to the multi-layered securities account structure. The key points are as follows:

- Securities account structure will include Yimatong account (master securities account) and sub-accounts. The sub-accounts will be used for recording investor holding positions and movements in a particular exchange or securities type, and will all be aggregated under the Yimatong account.
- Sub-accounts will include A-shares account, B-shares account, closed-ended fund account, open-ended fund account and other securities accounts set up by CSDC.
- The Yimatong account will be implemented in the following phases:
 - Phase one: the integrated securities account platform will be launched and Yimatong account will be used in the process of account opening, account information enquiry and account information amendment.
 - Phase two: following a period of smooth operation of the integrated securities account platform, investors can use the Yimatong account for enquiries of securities holding information, arrangement of securities pledge and non-trading transfer. CSDC will also add the Yimatong account information to the shareholders list of stock issuers and CSDC's external documents;
 - Phase three: investors can use Yimatong account to arrange cross-market securities transfer and confirmation of shareholding.
- The Yimatong account will not replace the existing securities account during the implementation of Yimatong account. Trading, depository and clearing business will still be arranged via the existing Shanghai and Shenzhen securities accounts. The record of either existing securities accounts or Yimatong account can be used by investors as a proof of confirmation of shareholding. The integration of the securities accounts will not have an effect to the securities trading and clearing system.
- An investor can only open one Yimatong account and one sub-account with the same account type, unless specified by CSDC. Investors with the reasonable need for asset aggregation can apply to the CSDC for multiple accounts according to relevant CSDC rules.
- The issuance of securities account card in paper format will be abolished. The account opening agencies will keep the electronic certificates.
- In case an investor applies to open an A-shares account, CSDC will open Shanghai and Shenzhen A-shares accounts for the investor concurrently and charge a one-off account opening fee.

Comments and feedback on this draft can be submitted by 20 February 2014. The CSDC announcement is available here: [Draft Securities Accounts Management Rules](#) (in Chinese only).

Market Information Impact

China

This newsflash is for information only.

Infrastructure Risk Ratings Impact

China

Market Rating: A-

Market Flash Impact: Stable

This newsflash is for information only.

CSD Risk Impact

CSDC Shenzhen Branch (China)

CSD Rating: A

CSD Flash Impact: Stable

This newsflash is for information only.

CSDC Shanghai Branch (China)

CSD Rating: A

CSD Flash Impact: Stable

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