

**Cross-border Correspondent Relationship
Baseline Due Diligence Questionnaire
April 2022**

The questionnaire shall be completed in addition to and considered together with the customer due diligence measures and additional or enhanced due diligence measures under the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations) (the "AML Guideline") issued by the Securities and Futures Commission of Hong Kong. This sample questionnaire serves as industry guidance only.

The Respondent Institution (RI) should answer the questionnaire at the legal entity level including any branches and/or subsidiaries (referred to as an Entity) for which the client base, products and control model are materially similar to the RI Head Office/ Parent Company. Each question in the CBDDQ will need to be addressed from the perspective of the RI and on behalf of all of its branches and/or subsidiaries. If a response for the RI differs for one of its branches and/or subsidiaries, this needs to be highlighted and details regarding this difference captured at the end of each sub-section. If a branch/subsidiary's business activity (products offered, client base etc.) is materially different than its RI Head Office/ Parent Company, a separate questionnaire can be completed for that branch/subsidiary.

The intention of this baseline DDQ is to act as an industry guidance as an add-on in addition to the Wolfsberg questionnaire to address the gaps over and above the Wolfsberg questionnaire. In the event that firms do not use the Wolfsberg questionnaire, then accordingly, this baseline DDQ would not apply and firms can utilise other arrangements such as for example the full length DDQ (attached in Annex 1).

* *Delete as inappropriate*

No #	Question	Response
1. ENTITY, MANAGEMENT & OWNERSHIP		
1.	Full Legal Name of the Respondent Institution	
2.	Jurisdiction of the Respondent Institution	
3.	Jurisdiction(s) that the Entity carries out its business	
4.	Is the RI part of a group?	Yes / No * If yes, <ul style="list-style-type: none"> • please provide full name of the financial group • please append a list of entities belonging to the same group that establish cross-border correspondent relationship with the Correspondent Institution and which are covered by this questionnaire.
5.	Please append a list of senior management containing each senior management's name, title, and respective functions/ roles. Please also indicate the responsible officers for AML/ CFT functions.	

6.	What are the types of underlying clients the Entity provides its service or products to via this correspondent account with the Correspondent Institution?	<input type="checkbox"/> Individual clients (Percentage in the entire portfolio: _____ %) <input type="checkbox"/> Institutional clients (Percentage in the entire portfolio: _____ %) <input type="checkbox"/> Listed Companies <input type="checkbox"/> Private Companies <input type="checkbox"/> Asset Management Firms <input type="checkbox"/> Brokerage Firms/ Securities Firms <input type="checkbox"/> Banks <input type="checkbox"/> Insurance Companies <input type="checkbox"/> Investment Vehicles (Funds) <input type="checkbox"/> Others (please specify) <input type="checkbox"/> High risk clients (Percentage in the entire portfolio: __ %) <input type="checkbox"/> PEP clients (Percentage in the entire portfolio: __ %) <input type="checkbox"/> Clients domiciled in jurisdictions identified by FATF as high-risk jurisdictions
7.	Is the Entity responsible for placing deals?	Yes / No* If no, what is the legal name of the entity responsible for placing deals?

2. PRODUCTS & SERVICES: Does the entity offer the following products and services directly to its customers (as opposed to acting as an introducer or intermediary). (Select all that apply).		
7.1	Bilateral, Club & Syndicated Loans	Yes / No *
7.2	Brokerage /Dealer	Yes / No *
7.3	Commodities Trading	Yes / No *
7.4	Cross Border Remittances	Yes / No *
7.5	Currency Exchange/ Foreign Exchange Trading	Yes / No *
7.6	Custodian service	Yes / No *
7.7	Debt Capital Market	Yes / No *
7.8	Derivatives Trading	Yes / No *
7.9	Deposit taking	Yes / No *
7.10	Distribution	Yes / No *
7.11	Equity Capital Market	Yes / No *
7.12	Futures Contracts	Yes / No *
7.13	Loan financing	Yes / No *
7.14	Money Markets Instruments (Certificates of Deposit, Commercial Paper etc)	Yes / No *
7.15	Repos/ securities lending	Yes / No *
7.16	Securities trading	Yes / No *
7.17	Stored Value Instruments	Yes / No * If yes, please provide examples of Stored Value Instrument the Entity provides e.g. prepaid cards, e-wallet, government benefit cards.
7.18	Virtual /Digital Currencies	Yes / No *

7.19	Underwriting	Yes / No *
7.20	Asset Management	Yes / No *
7.21	Insurance	Yes / No *
8.	Please confirm/ provide the following in relation to the Entity's cross-border correspondent relationships.	
8.1	What is the purpose of this cross-border correspondent relationship with the Correspondent Institution (including possible further nested correspondent relationships)?	
8.2	What are the types and nature of services to be provided by the Correspondent Institution under this cross-border correspondent relationship?	
8.3	What is the expected value and volume of transactions under this cross-border correspondent relationship with the Correspondent Institution?	
8.4	Does the Entity provide nested correspondent relationships to its underlying customers?	Yes / No *
8.5	Does the Entity's AML/CFT programme cover nested correspondent relationships?	Yes / No *

3. AML, CTF & SANCTIONS PROGRAMME:		
9.	Does the Entity have a programme that sets minimum AML, CTF and Sanctions standards regarding the following components: (Select all that apply)	
9.1	Customer Due Diligence (CDD)	Yes / No *
9.2	If underlying customer(s) have direct access to the correspondent account, whether the Entity would conduct CDD to verify their identities and continuously monitor its business relationships with them, in accordance with the AML requirements.	Yes / No *
9.3	Additional / enhanced due diligence measures to mitigate the risk of Money Laundering or Terrorist Financing (ADD)	Yes / No *

5. AML, CTF & SANCTIONS AND OTHER POLICIES & PROCEDURES		
10.1	Prohibit accounts/relationships with shell financial institutions'	Yes / No *
10.2	Is the Entity subject to any applicable law, or conditions to provide documents, data or information in relation to any particular transactions or any underlying clients when requested by the Correspondent Institution?	Yes / No * If yes, please provide details.

Declaration Statement

Declaration Statement (To be signed by Senior Compliance Manager – Second Line Representative or equivalent position holder AND Group Money Laundering Prevention Officer, Global Head of Anti- Money Laundering, Chief Compliance Officer, Global Head of Financial Crimes Compliance OR equivalent OR equivalent at branch/ subsidiary level (if this questionnaire is filled at branch/ subsidiary level))

_____ (Financial Institution name) is fully committed to the fight against financial crime and makes every effort to remain in full compliance with all applicable financial crime laws, regulations and standards in all of the jurisdictions in which it does business and holds accounts.

The Financial Institution understands the critical importance of having effective and sustainable controls to combat financial crime in order to protect its reputation and to meet its legal and regulatory obligations.

The Financial Institution recognises the importance of transparency regarding parties to transactions in international payments and has adopted/is committed to adopting these standards.

The Financial Institution further certifies it complies with / is working to comply with the applicable principles, laws and regulations on AML/CFT applicable to the Financial Institution. The information provided in this due diligence questionnaire will be kept current and will be updated no less frequently than on an annual basis.

The Financial Institution commits to file accurate supplemental information on a timely basis.

I, _____ (Senior Compliance Manager – Second Line Representative Banking or equivalent), certify that I have read and understood this declaration, that the answers provided in this due diligence questionnaire are complete and correct to my honest belief, and that I am authorised to execute this declaration on behalf of the Financial Institution (and its branches/ subsidiaries, where applicable).

I, _____ (MLRO or equivalent), certify that I have read and understood this declaration, that the answers provided in this due diligence questionnaire are complete and correct to my honest belief, and that I am authorised to execute this declaration on behalf of the Financial Institution (and its branches/ subsidiaries, where applicable).

(Signature & Date)

(Signature & Date)

ⁱ A shell financial institution is a corporation that is incorporated and authorised to carry on financial services businesses in a place outside Hong Kong but with no physical presence in the jurisdiction it is incorporated and authorised, and which is not an affiliate of a regulated financial group that is subject to effective group-wide supervision. A corporation is considered to have "physical presence" if it carries on financial services businesses at any premises in that place or jurisdiction and at least one full-time employee of the corporation performs duties related to financial services businesses at those premises.