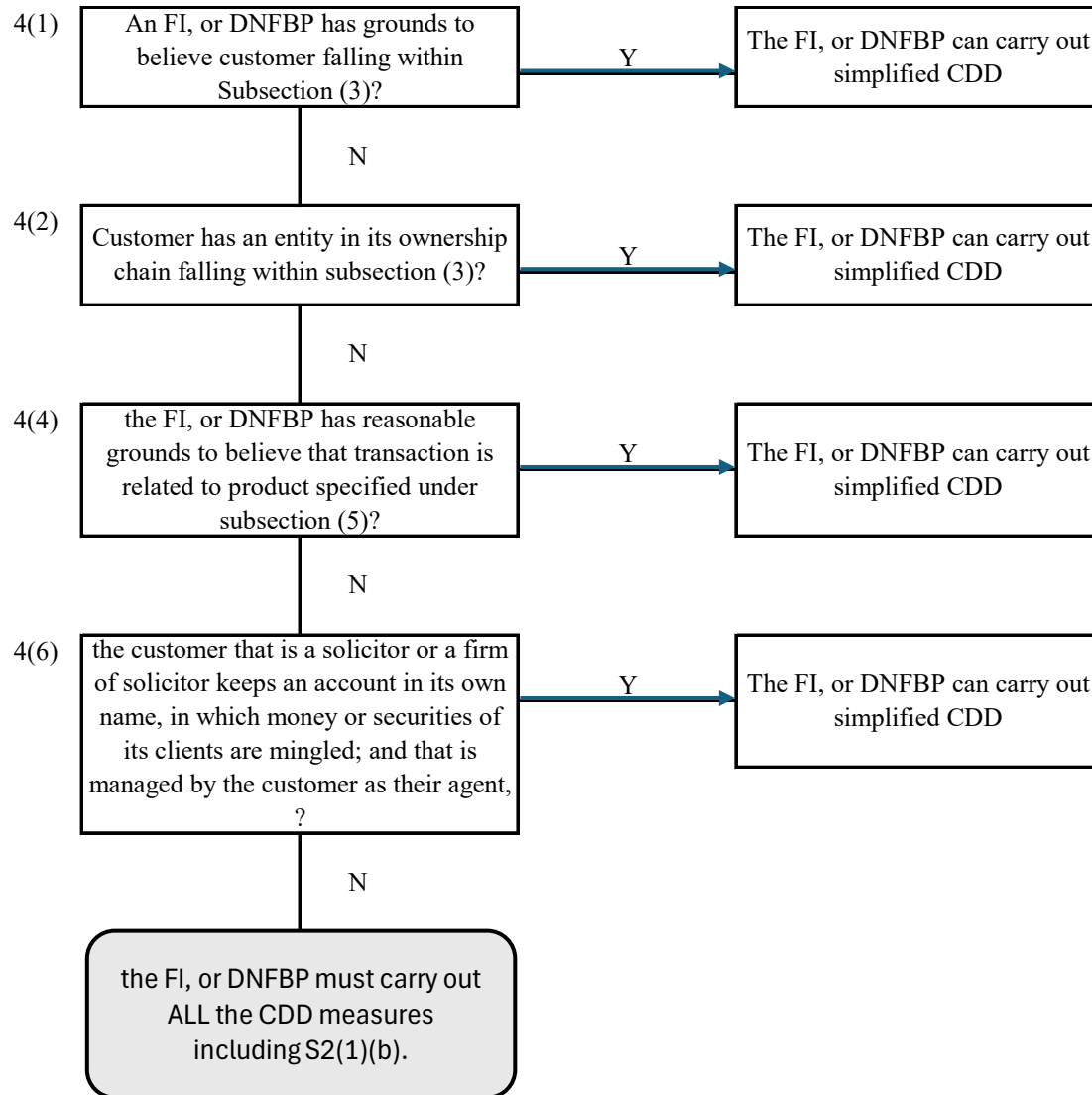


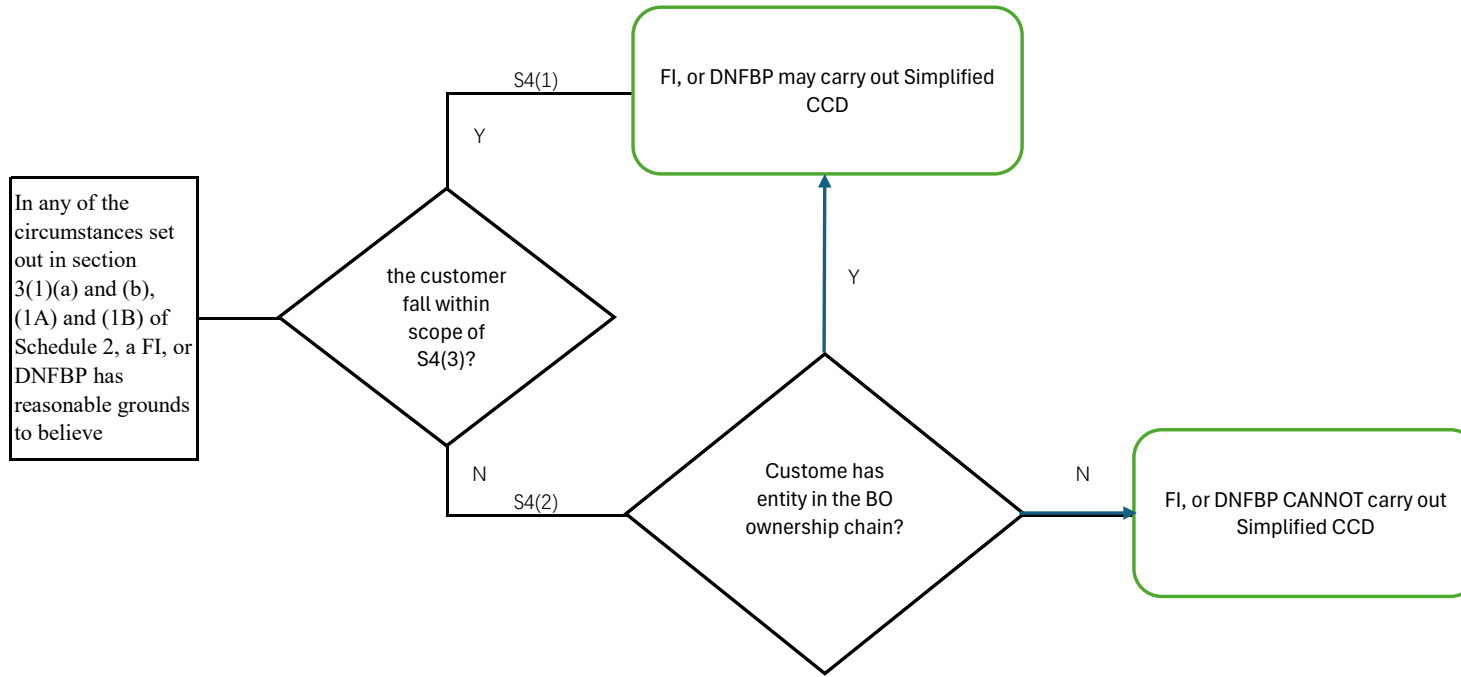
**4. Simplified customer due diligence**

In any of the circumstances set out in section 3(1)(a) and (b), (1A) and (1B) of Schedule 2, an FI, or DNFBP may perform measures set out in S2(1)(a), (ab), (c) and (d) in relation to a customer under the following situations (that is, no requirement to carry out measure in S2(1)(b)):



4(3) See next page for the situation in which a FI or DNFBP is not required to carry out measure to identify BO and verify BO's ID under section 2(1)(b).

- 4(5) The product is—
- (a) a provident, pension, retirement or superannuation scheme (however described) that provides retirement benefits to employees, where contributions to the scheme are made by way of deduction from income from employment and the scheme rules do not permit the assignment of a member's interest under the scheme;
  - (b) an insurance policy for the purposes of a provident, pension, retirement or superannuation scheme (however described) that does not contain a surrender clause and cannot be used as a collateral; or
  - (c) a life insurance policy in respect of which (i) an annual premium of no more than \$8,000 or an equivalent amount in any other currency is payable; or (ii) a single premium of no more than \$20,000 or an equivalent amount in any other currency is payable.



- 4(3) The customer is—
- (a) a financial institution;
  - (b) an institution that—
    - (i) is incorporated or established in an equivalent jurisdiction;
    - (ii) carries on a business similar to that carried on by a financial institution;
    - (iii) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and
    - (iv) is supervised for compliance with those requirements by an authority in that jurisdiction that performs functions similar to those of any of the relevant authorities;
  - (c) a corporation listed on any stock exchange;
  - (d) an investment vehicle where the person responsible for carrying out measures that are similar to the customer due diligence measures in relation to all the investors of the investment vehicle is—
    - (i) a financial institution;
    - (ii) an institution that—
      - (A) is incorporated or established in Hong Kong;
      - (B) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and
      - (C) is supervised for compliance with those requirements; or
    - (iii) an institution that—
      - (A) is incorporated or established in an equivalent jurisdiction;
      - (B) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and
      - (C) is supervised for compliance with those requirements;
  - (e) the Government or any public body in Hong Kong; or
  - (f) the government of an equivalent jurisdiction or a body in an equivalent jurisdiction that performs functions similar to those of a public body.