



**ICBC Bank (Joint Stock Company) (ICBC Bank (JSC))**

APPROVED BY  
The Management Committee of  
Bank ICBC (JSC) (minutes from  
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No. 873

## **REGULATION**

### **On the procedure for testing individuals who are not qualified investors**

(With Amendments by Direction No 947 of 02/08/2022)

Moscow

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## Chapter 1. General Provisions

1.1. These Regulations determine the general procedure for Bank ICBC (JSC) testing individuals who are not qualified investors.

1.2. This Regulation has been developed in accordance with:

- The basic standard for the protection of the rights and interests of individuals and legal entities,
- recipients of financial services provided by members of self-regulatory organizations in the financial market, uniting brokers (hereinafter referred to as the Standard), developed on the basis of Part 2 of Article 5 of the Federal Law dated July 13, 2015 No. 223- Federal Law "On Self-Regulatory Organizations in the Financial Market",
- Clause 218 of Article 511 of the Federal Law of 22.04.1996 No. 39-F3 "On the Securities Market",
- Ordinance of the Bank of Russia dated October 26, 2017 No. 4585-U "On the requirements for the content of the basic standard for protecting the rights and interests of individuals and legal entities recipients of financial services provided by members of self-regulatory organizations in the financial market that unite brokers, managers, depositories and registrars."

1.3. This Regulation applies to the Treasury.

1.4. This Regulation has a name in English: Regulations On the procedure for testing individuals who are not qualified investors.

1.5. The following concepts are used in this regulation:

broker - ICBC Bank (JSC);

self-regulatory organization - a self-regulatory organization in the financial market that unites brokers;

financial service - execution of a client's order to conclude civil transactions with securities and (or) to conclude contracts that are derivative financial instruments;

brokerage service agreement (hereinafter referred to as the agreement) - a compensated agreement concluded between the broker and the recipient of financial services, under which the broker undertakes to execute the client's instructions to conclude civil transactions with securities and (or) to conclude agreements that are derivative financial instruments;

client - a legal entity or individual who has entered into a brokerage service agreement with a broker;

recipient of financial services - a client, as well as a legal or natural person, intending to conclude an agreement on brokerage services;

place of service for recipients of financial services - a place intended for concluding agreements on brokerage services, providing financial services, receiving documents related to the provision of financial services, including the broker's office and (or) the broker's website in the information and telecommunications network "Internet" (hereinafter - Internet");

information trading system - software and hardware used to submit client orders to a broker and exchange other messages;

complaint - a request from the recipient of financial services to restore or protect his rights or interests violated by the broker;

testing - testing of an individual who is not a qualified investor, introduced by Federal Law No. 306-FZ of July 31, 2020 "On Amendments to the Federal Law" On the Securities Market "and Certain Legislative Acts of the Russian Federation";

tested person - an individual who is not a qualified investor, in respect of whom testing is carried out (carried out).

The rest of the concepts are used in the meanings established by legislative and other regulatory legal acts of the Russian Federation, internal documents of Bank ICBC (JSC).

## Chapter II. List of types of transactions.

2.1. Testing is carried out by a broker for the following types of transactions (contracts):

- 1) unsecured transactions;
- 2) contracts that are financial derivatives and are not intended for qualified investors;
- 3) repurchase agreements requiring testing;
- 4) not applicable;
- 5) transactions for the purchase of bonds of Russian issuers that meet the conditions stipulated first paragraph and the second of subparagraph 2 of paragraph 2 of Article 3.1 Federal Law N 39-FZ, but do not meet the conditions third paragraph said subparagraph;
- 6) transactions for the purchase of bonds of foreign issuers that meet the conditions stipulated first paragraph and the second of subparagraph 3 of paragraph 2 of Article 3.1 Federal Law N 39-FZ, but do not meet the conditions third paragraph said subparagraph;
- 7) not applicable.
- 8) transactions for the acquisition of shares of Russian issuers that are admitted to circulation in organized trading, but are not included in the quotation lists of the stock exchange,

as well as transactions for the acquisition of shares of Russian issuers that are not admitted to circulation in organized trading;

9) transactions for the acquisition of shares of foreign issuers not included in the quotation lists of the stock exchange or securities of another foreign issuer certifying rights in respect of such shares, provided that these shares are not included in the calculation of any of the indices, the list of which is established by the Board of Directors of the Bank of Russia;

10) transactions for the acquisition of units / shares of ETFs not included in the quotation lists of the exchange and admitted to organized trading if there is an agreement between the trade organizer and the person liable for them, the yield on which, in accordance with their prospectus (rules), is determined by an index that is not included in the list, established by the Board of Directors of the Bank of Russia, or another indicator, and also subject to the provision of information on the tax rate and the procedure for paying taxes in respect of income from such securities in accordance with subparagraph 7 of paragraph 2 of Article 3.1 Federal Law N 39-FZ;

11) transactions for the acquisition of ETF units/shares that are not included in the quotation lists of the exchange and admitted to organized trading in the absence of a trade organizer agreement with the person liable under them, and subject to the provision of information on the tax rate and procedure for paying taxes in relation to income from such securities in accordance with subparagraph 7 of paragraph 2 of Article 3.1 Federal Law N 39-FZ;

12) transactions for the acquisition of bonds of Russian or foreign issuers convertible into other securities;

13) transactions for the purchase of bonds of Russian issuers that meet the conditions stipulated first paragraph and the third of subparagraph 2 of paragraph 2 of Article 3.1 Federal Law N 39-FZ, but do not meet the conditions second paragraph said subparagraph;

14) transactions for the purchase of bonds of foreign issuers that meet the conditions stipulated first paragraph and the third of subparagraph 3 of paragraph 2 of Article 3.1 Federal Law N 39-FZ, but do not meet the conditions second paragraph the said subparagraph.

### **Chapter III. Order of conduct testing.**

3.1. The broker conducts testing, as well as evaluates the testing result before the execution of the order of the client - an individual who is not recognized as a qualified investor for transactions / contracts requiring testing.

3.2. The testing is carried out by the broker by obtaining the answers of the tested person to the questions defined by appendices N N 1 - 18 to the Standard. The list of questions for testing is formed by including questions from the "Self-Assessment" block and questions from the "Knowledge" block corresponding to the type of transactions/agreements requiring testing.

At the same time, the questions of the "Knowledge" block offered to the tested person, corresponding to the type of transactions (contracts) requiring testing, should include one question of the first category of complexity, two questions of the second category of complexity and one question of the third category of complexity.

The list of questions offered to the person being tested in the "Knowledge" block corresponding to the type of transactions (contracts) requiring testing is formed by the broker for each testing by random selection from the questions in the "Knowledge" block corresponding to the type of transactions (contracts) requiring testing, taking into account the requirements legislation and Basic Standards.

Approval by the broker's internal document of the lists of questions and answers offered to the tested person is not required. During testing, the broker uses the latest versions of the corresponding applications NN 1 - 18 to the Standard.

The department responsible for testing is the Treasury.

3.3. The list of the options for answers to the questions of the "Knowledge" block offered to the tested person is formed by the broker for each question of the list, formed in accordance with point 3.2. of this Regulation, by random selection from the options of answers to it, brought to the attention of the broker by the self-regulatory organization, of which he is a member.

At the same time, the list of answer options offered to the test person for each question by the broker includes at least four answer options, including the correct answer. The list of answer options and correct answers is brought to the attention of the broker by the self-regulatory organization, of which he is a member, no later than 3 (three) business days following the day of publication of the approved Basic Standard (amendments to it) on the Bank of Russia website, by sending a letter via postal communication, e-mail, electronic document management system through the broker's personal account on the website of the self-regulatory organization or in any other way used by the self-regulatory organization to interact with its members, in the manner and within the time limits established by law.

3.4. The broker is obliged to ensure the confidentiality of the answers to the questions of the "Knowledge" block and the list of correct answers brought to his attention by the self-regulatory organization, of which he is a member, and is not entitled to provide this information to employees and third parties otherwise than for the purpose of organizing and conducting testing, and also in order to control the organization and conduct of testing.

3.5. The broker does not have the right to change or supplement the wording of the questions set in the annexes to this Regulation, and the answer options brought to his attention by the self-regulatory organization of which he is a member.

3.6. During testing, the broker records which types of transactions / contracts requiring testing are being tested, questions and answer options offered to the person being tested, the responses of the person being tested, as well as the time and date of testing. The method of fixing the specified information is determined in the form of recording the necessary information on the test forms or saving electronic data (in the case of testing by means of a computer).

3.7. At the broker's discretion, testing is carried out in relation to each type of transactions / agreements requiring testing, separately or in relation to several types of transactions / agreements requiring testing at once, subject to compliance with the testing requirements, including those provided for by the SRO Standard clauses.

3.8. During testing, at the discretion of the broker, questions can be offered to the person being tested at once in full, in blocks ("Self-assessment" block and "Knowledge" block) or sequentially (after the test person has answered each previous question).

3.9. The broker evaluates the test result in relation to each type of transactions / contracts requiring testing separately in accordance with the methodology established by the Appendix to this Regulation. In this case, the broker should not check the accuracy of the test person's answers to the questions of the "Self-assessment" block.

3.10. In the cases established by the agreement with the client and (or) the broker's internal document, an additional condition for a positive assessment of the test result may be the correct answer of the person being tested to one or more additional questions regarding one or more types of transactions (agreements) requiring testing (hereinafter - additional questions).

3.11. Additional questions are drawn up by the broker in such a way that the answers to them make it possible to determine to what extent the tested person is able to assess their risks, taking into account the type of transactions / contracts requiring testing, and has the knowledge to carry out such transactions (conclude such contracts). The list of additional testing questions is approved by an authorized person of the broker and is included in internal documents.

3.12. The results of answers to additional questions are assessed by the broker separately from the results of answers to the main questions established by the SRO Standards.

3.13. If the broker develops a block of additional questions, the broker develops a methodology for evaluating the results of answers to additional questions. The methodology for evaluating the results of answers to additional questions is determined by the broker's internal document. This methodology may fully or partially coincide with the methodology for assessing answers to questions in the "Knowledge" block set out in the SRO Standards, or differ from it.

3.14. The broker must send the tested person a notification about the assessment of the test results in the prescribed form to these Regulations, but no later than one business day after the day of testing. The broker sends a notification about the assessment of the test results in the manner established by the agreement with the person being tested and allowing to record the fact, date and time of sending the notification. In the absence of an agreement with the person being tested, the broker sends a notification about the assessment of the test results by e-mail or in another way that allows you to record the fact, date and time of sending the notification.

3.15. When re-testing is carried out no later than 3 (three) business days after the day of testing, the questions of the Self-assessment block, at the discretion of the broker, may not be included in the list of questions again, provided that the broker fixes the answers to the questions of the Self-assessment block earlier by the tested person.

3.16. Testing is carried out by the broker at his discretion in writing (including using electronic documents) or in another form that allows the broker to record the answers of the tested person to the questions provided during testing, evaluate the test results, fix the date and time of testing and save the specified information ... At the same time, testing using audio and (or) video communication, including telephone communication, is not allowed.

3.17. The broker stores information about the questions and answer options offered to the person being tested, about the responses of the person being tested to the questions provided during testing, additional questions from the broker (if any), about the date and time of testing, about the assessment of testing results, as well as about the direction to the person being tested. notifications on the assessment of testing results at the discretion of the broker in the form of a paper document or an electronic document, while the storage period of information must be at least three years from the date of termination of the contract with the client, and in the case of testing an individual, before concluding a brokerage contract with him service - at least six months from the date of testing, if the brokerage service agreement was not concluded with this individual within the specified six months,



3.18. The broker ensures the protection of information in accordance with the requirements of the legislation of the Russian Federation, including the regulations of the Bank of Russia.

3.19. When testing an individual before concluding an agreement on brokerage services, the obtained positive test result, at the discretion of the broker, can be taken into account when executing the orders of the person being tested, unless otherwise provided by the brokerage service agreement.

3.20. If there are several contracts for brokerage services with the tested person, the broker takes into account the assessment of the test results in order to execute the orders of the tested person under all contracts for brokerage services, unless otherwise provided by the specified contracts.

#### **Chapter IV. Final provisions**

4.1. This Regulation comes into force on October 01, 2021.

4.2. If the norms of this Regulation conflict with the norms of the legislation of the Russian Federation, then the norms of the current legislation have priority.

4.3. If, as a result of amendments to the agreement, the norms of this Regulation conflict with the norms established by the Agreement, then the norms of the agreement have priority.

President

Li Wencong

Application1  
to the Regulation on the procedure for  
testing individuals who are not qualified  
investors

### **METHODOLOGY FOR ASSESSING TEST RESULTS**

1. The results of the answers to the questions of the block "Self-assessment" are not evaluated.
2. The test result is assessed as positive if the tested person correctly answered all questions of the "Knowledge" block. If the tested person incorrectly answered at least one question of the "Knowledge" block, the test result is assessed as negative.

Appendix 2  
to the Regulation on the procedure for  
testing individuals who are not qualified  
investors

Test Results Notification Form

Hereby ICBC Bank notifies you of a [positive][negative] assessment of the result of your testing conducted in respect of (indicate the types of financial instruments, transactions and (or) contracts in respect of which testing was carried out). <1>

\_\_\_\_\_.Name  
Signature

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<1> In the case when the use of this wording is not practical due to its scope, for example, when sending short messages to subscriber numbers of mobile radiotelephone communications of customers, push messages, displaying a notification on the screen of a mobile application, it is allowed to use the abbreviated wording "[positive] [negative] evaluation of the result" or other similar short wording.

Appendix 3  
to the Regulation on the procedure for  
testing individuals who are not qualified  
investors

Risky Order Notification Form

Due to the negative result of the testing conducted by ICBC Bank after receiving the instruction [date, number of the instruction, the type of financial instrument, transaction (agreement) and the number of securities (other financial instruments) in the instruction] may be additionally indicated], we inform you that making a transaction (concluding an agreement) specified in the order is not expedient for you and entails the following risks:

one. \_\_\_\_\_

2. \_\_\_\_\_

...

*A brief description of the risks <2> associated with the transaction (conclusion of the contract) is given by listing them or by hyperlinking to the broker's website page in the Internet information and telecommunications network, containing a listing of the relevant risks.*

*ICBC Bank is not responsible for losses and expenses that you may incur as a result of the execution of your orders.*

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<2> Depending on the type of financial instrument, transaction (agreement), risks from the following list are indicated: no guarantee of the safety of invested funds by the state, no guarantee of profitability, risk of loss during the sale or early withdrawal from the instrument, risk of loss of initially invested funds, the risk of being left behind. In addition to the risks from the specified list, the broker has the right to indicate other risks at his discretion.

Appendix 4  
to the Regulation on the procedure for  
testing individuals who are not qualified  
investors

Risk Acceptance Statement

I, \_\_\_\_\_, declare that the result of testing revealed that I did not have enough experience and knowledge to invest in \_\_\_\_\_.

Despite this, I confirm that I am ready to accept the risks associated with the execution of the transactions indicated by me in the order and incur possible losses.

I understand that a lack of knowledge and experience can lead to a complete loss of my investment in \_\_\_\_\_.

«\_\_» \_\_\_\_\_ 20\_\_  
\_\_\_\_\_  
Signature Name of client

Appendix 5  
to the Regulation on the procedure for  
testing individuals who are not qualified  
investors

Notification Form  
on the consequences of recognizing an individual  
qualified investor

ICBC Bank hereby notifies you of the consequences of being recognized as a qualified investor:

1. Recognition of you as a qualified investor provides you with the opportunity to enter into transactions with securities intended for qualified investors and the conclusion of contracts that are derivative financial instruments intended for qualified investors in respect of which you have been recognized as a qualified investor. The acquisition of these securities and the conclusion of these agreements are associated with increased risks.

2. You have the right to apply to ICBC Bank to remove you from the register of persons recognized as qualified investors. In this case, you will no longer be able to purchase securities intended for qualified investors and enter into contracts that are derivative financial instruments intended for qualified investors, in respect of which you have been recognized as a qualified investor, using the services of ICBC Bank .

You have the right to apply to [name of the broker] to remove you from the register of persons by (information is indicated on the method and form of the client's application to the broker for removal from the register of persons recognized as qualified investors). <3>

\_\_\_\_\_ Name  
Signature

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<3> In the case when the use of this wording is not practical due to its scope, for example, when sending short messages to customers' mobile radiotelephone subscriber numbers, push messages, displaying a notification on the screen of a mobile application, it is allowed to use the abbreviated wording "Acquisition of securities and the conclusion of contracts that are derivatives intended for qualified investors is associated with increased risks. At any time, you can submit an application to the broker to waive the status of a qualified investor, in which case the purchase of these securities and the conclusion of these agreements will be impossible. on the Internet, containing information on the method and form of sending a client to a broker an application for exclusion from the register of persons, recognized by qualified investors)" or other similar short wording.