



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**

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) repo agreements requiring testing;
- 4) transactions for the purchase of structured bonds not intended for qualified investors;
- 5) transactions for the purchase of bonds of Russian issuers for which (the issuer of which, the person who provided security for which) has not been assigned a credit rating, or the credit rating of which (the issuer of which, the person who provided security for which) is lower than the level established by the Board of Directors of the Bank of Russia;
- 6) transactions for the purchase of bonds of foreign issuers, the fulfillment of obligations under which is secured or carried out at the expense of a legal entity established in accordance with the legislation of the Russian Federation, which does not have a credit rating

or whose credit rating is lower than the level established by the Board of Directors of the Bank of Russia.

- 7) transactions for the purchase of bonds with structured income;
- 8) transactions for the acquisition of shares not included in the quotation lists;
- 9) transactions for the purchase of foreign shares requiring testing;
- 10) transactions for the purchase of units of foreign ETFs requiring testing.

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 receiving answers from the tested person to the questions specified in the appendices to this Regulation. The list of questions for testing is formed by the broker by including the questions of the "Self-assessment" block and the questions of the "Knowledge" block corresponding to the type of transactions / agreements requiring testing.

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 by the method of random selection for each test from the options of answers brought to the attention of the broker by the self-regulatory organization in the financial market that unites brokers of which he is a member. At the same time, at least four answer options, including correct answers, are included in the indicated lists for each question. The list of correct answers is communicated to the broker by the self-regulatory organization of which he is a member.

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

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Application 1

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

List of testing questions - block "Self-assessment"

No.	Questions	Answer options
1.	<p>Do you have knowledge of the financial instrument? (Maybe <i>multiple answer options</i>)</p>	<p>(a) do not have specific knowledge about the instrument;</p> <p>(b) I know because I studied ¹;</p> <p>(c) I know, because I worked / entered into transactions with this instrument ²;</p> <p>(d) I know because I received professional advice ³.</p>
2.	<p>How long (cumulatively) have you been trading with this instrument? (<i>one answer is possible</i>)</p>	<p>(a) there have been no transactions to date⁴.</p> <p>(b) no more than 1 year.</p> <p>(c) 1 year or more.</p>
3.	<p>How many deals have you made with this instrument in the last year⁴? (<i>one answer is possible</i>)</p>	<p>(a) there have been no transactions in the last year.</p> <p>(b) less than 10 trades.</p> <p>(c) 10 or more trades.</p>

¹ The knowledge gained at school, at a higher educational institution, in courses, self-education, etc.

² Work experience in a Russian and (or) foreign organization that performed transactions (worked) with this type of financial instrument, as well as in the framework of individual entrepreneurship (other forms of organizing activities), including in a professional participant in the securities market, and (or) experience in performing transactions with this type of financial instrument in their own interests (in the interests of third parties), including with the participation of a professional participant in the securities market. Moreover, it is available in type of any financial instrument related to this type (this group) of the tested financial instruments.

³ Consulting an investment advisor, consulting an employee of a professional participant in the securities market, a credit institution, including in the course of offering a financial instrument.

⁴ If you choose the answer "a" to question No. 2, you do not need to answer this question (question No. 3).

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

List of testing questions - "Self-assessment" block (this form of the block is
provided for unsecured transactions)

No.	Questions	Answer options
1.	Do you have knowledge of unsecured transactions? (Maybe <i>multiple answer options</i>)	(a) I have no specific knowledge about unsecured transactions; (b) I know because I studied ¹ ; (c) I know, because I have experience with such transactions / conclusion of such deals ² ; (d) I know because I received professional advice ³ .
2.	How long (cumulatively) have you been doing unsecured transactions? (<i>one answer is possible</i>)	(a) there have been no unsecured transactions to date ⁴ . (b) no more than 1 year. (c) 1 year or more.
3.	how many unsecured deals You have concluded in the last year⁴? (<i>one answer is possible</i>)	(a) there have been no such transactions in the last year. (b) less than 10 trades. (c) 10 or more trades.

¹ The knowledge gained at school, at a higher educational institution, in courses, self-education, etc.

² Work experience in a Russian and (or) foreign organization that performed operations (worked) with unsecured transactions, as well as in the framework of individual entrepreneurship (other forms of organizing activities), including in a professional participant in the securities market, and (or) experience in concluding such transactions in their own interests (interests of third parties), including with the participation of a professional participant in the securities market.

³ Consulting an investment advisor, consulting an employee of a professional participant in the securities market, a credit institution, including in the course of an offer to conclude an unsecured transaction.

⁴ If you choose the answer "a" to question No. 2, you do not need to answer this question (question No. 3).

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

List of testing questions - "Self-assessment" block (this form of the block is
provided for repo agreements)

No.	Questions	Answer options
1.	Do you have knowledge of repo agreements? (several answers are possible)	(a) I have no specific knowledge about repo agreements; (b) I know because I studied 1; (v) I know, because what have worked with repo agreements / concluded repo agreements ² ; (d) I know because I received professional advice 3.
2.	How long (cumulatively) do you conclude repo agreements? (<i>one answer is possible</i>)	(a) has not entered into any repo agreements to date ¹ ... (b) no more than 1 year. (c) 1 year or more.
3.	How many repo agreements have you entered into in the last 4 year? (<i>one answer is possible</i>)	(a) did not enter into any repo agreements in the last year. (b) less than 10 trades. (c) 10 or more trades.

If you choose the answer "a" to question No. 2, you do not need to answer this question (question No. 3).

¹ The knowledge gained at school, at a higher educational institution, in courses, self-education, etc.

² Work experience in a Russian and (or) foreign organization that entered into repo agreements (worked with repo agreements), as well as in the framework of individual entrepreneurship (other forms of organizing activities), including in a professional participant in the securities market, and (or) experience conclusion of repo agreements in their own interests (in the interests of third parties), including with the participation of a professional participant in the securities market.

³ Consulting an investment advisor, consulting an employee of a professional participant in the securities market, a credit institution, including during an offer to conclude a repo agreement.

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

List of testing questions - block "Knowledge"
for unsecured transactions

No.	Questions
1	Margin trading is:
2	Can a fee be charged for using funds provided by a broker when trading on margin?
3	If you make margin / unsecured transactions when investing, as a rule, the amount of possible losses:
4	In what case can a broker forcefully close a client's position in the presence of previously concluded margin / unsecured transactions?

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

List of testing questions - block "Knowledge"
for contracts that are financial derivatives and are not intended for qualified in-
vestors

No.	Questions
1.	If you bought a stock option, you:
2.	You have sold an option to buy the stock. Your potential losses:
3.	You have received a loss on investments in the derivatives market. Will you be reimbursed for your losses?
4.	You have one futures contract per share. The share price fell sharply. In this case, events can develop as follows:

Appendix 6
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"
for repo agreements requiring testing

No.	Questions
1.	If you sold a security under the first part of a repo agreement, for the second part of such a repo agreement, you:
2.	Revaluation under a repo agreement
3.	You are the buyer for the first part of the repo agreement. For securities that you received under a repo agreement, funds have been paid or other property has been transferred, including in the form of dividends or interest (income). In what case are you obliged to transfer the amount of such income to the seller under the repo agreement?
4.	The seller transferred the securities to the buyer's ownership under a repo agreement (if there is no clause in the agreement about the possibility of returning a different amount of securities). The risk of non-return of securities transferred under the first part of the repo agreement may be realized for the seller:

Appendix 7
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"

for transactions for the purchase of structured bonds not intended for qualified
investors

No.	Questions
1.	Choose the correct statement about structured bonds:
2.	Can an investor on a structured bond receive a payment less than its par value upon maturity?
3.	Which of the following is generally not a structural bond risk?
4.	You have purchased a zero-coupon structured bond. The par value payment upon redemption of such a bond depends on the price of shares of company A. Capital protection (return of par value) on a structured bond is 80% in the event that the price of shares of company A falls by more than 10% of the original price. What amount of payment in relation to the par of the structured bond do you expect to receive in the event of a decrease in the price of shares of company A at the maturity date of the structured bond by more than 10% of their original price:

Appendix 8
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"

for transactions involving the purchase of bonds of Russian issuers for which (the issuer of which, the person who provided security for which) has not been assigned a credit rating, or the credit rating of which (the issuer of which, the person who provided security for which) is below the level established by the Board of Directors of the Bank of Russia

No.	Questions
1.	The credit rating of bonds is:
2.	If an investor decides to sell his low-liquid bonds, how quickly can he do it?
3.	Please choose the correct answer from the following statements:
4.	The lack of an issue credit rating for any bond issue means:

Appendix 9
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"

for transactions on the purchase of bonds of foreign issuers, the fulfillment of obligations under which is ensured or carried out at the expense of a legal entity established in accordance with the legislation of the Russian Federation, which does not have a credit rating or whose credit rating is lower than the level established by the Board of Directors of the Bank of Russia

No.	Questions
1	The credit rating of a company that ensures (carries out) the fulfillment of obligations (payments) on bonds is:
2	If an investor decides to sell his low-liquid bonds, how quickly can he do it?
3.	Please choose the correct answer from the following statements:
4.	If you bought a foreign bond for US \$ 100 and sold it a year later for US \$ 110, while the US dollar rate for the specified year increased from 50 to 75 rubles, your taxable income in Russia will be:

Appendix 10
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"

for transactions on the purchase of bonds with structured in-
come

No.	Questions
1	Is it possible on the date of purchase of bonds, the amount and (or) the fact of payment of the coupon yield for which depends on the change in the value of an asset (change in the value of any indicator) or the occurrence of another circumstance (bonds with structured income), to accurately calculate the total amount of the coupon yield on such a bond that will be paid by its issuer?
2	Which of the following is not a structural income bond risk?
3.	Is it possible to determine exactly how the change in the market value of assets and (or) the values of financial indicators, on which the size of the coupon yield on a bond with a structured income depends, on the selling price of such a bond by an investor in the secondary market?
4.	Choose the correct statement:

Appendix 10
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"

for transactions on the purchase of foreign shares requiring testing

No.	Questions
1	The liquidity of a stock is characterized by:
2	Which of the following is not a risk of acquiring shares of foreign issuers?
3.	The stock index calculated by the exchange includes:
4.	If you bought a foreign share for 100 US dollars and sold it a year later for 110 US dollars, while the US dollar rate for the specified year increased from 50 to 75 rubles, your taxable income in Russia will be:

Appendix 11
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"

for transactions for the purchase of units of foreign ETFs that require testing

No.	Questions
1	Select the correct statement for ETF units on a stock index:
2	How does the ETF pricing mechanism work?
3.	Which of the following is not a risk associated with Russian investors' investments in ETF units?
4.	If you bought an ETF share for US \$ 100 and sold it a year later for US \$ 120, while the US dollar exchange rate for the specified year increased from 50 to 75 rubles, your taxable income in Russia will be:

Appendix 12
to the Regulation on the procedure for
testing individuals who are not qualified
investors

List of testing questions - block "Knowledge"
for transactions for the acquisition of shares not included in the quotation lists

No.	Questions
1	You have suffered losses from transactions in stocks. Will you be reimbursed for your losses?
2	If an investor decides to sell his share, how quickly can he do it?
3.	Select the characteristics that distinguish unquoted stocks from quoted stocks:
4.	Choose the correct statement:

Methodology for assessing test results

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

Appendix 14
to the Regulation on the procedure for
testing individuals who are not qualified
investors

Test Results Notification

Bank ICBC (JSC) hereby notifies you of the [positive] [negative] assessment of the results of your testing carried out in relation to (the types of financial instruments, transactions and (or) contracts in respect of which the testing was carried out are indicated).¹

¹ In the case when the use of this wording is not practical due to its volume, for example, when sending short messages to subscriber numbers of mobile radiotelephone communication of clients, 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 another short formulation similar in meaning.