

FACT SHEET



Products & Services

Bondlinc is a Fixed Income solutions provider for the **B2B & B2C** market, focused on simplifying bond trading for Private Banks, Brokerage firms and Asset Managers.

Our clients leverage on us for:

- **Regulatory Technology (RegTech):**
Pre-trade documentation and key detail disclosures, factsheet generation, classification and determination of **complex products** as outlined by the [Hong Kong Securities and Futures Commission's \(SFC\) Guidelines](#).
- **Sales and Trading:**
Replace email and phone between sales, traders or clients, with an online platform to RFQ and Trade. Our platform also facilitates pre-trade checks and maintains an audit trail for post-trade reporting and settlement.
- **Bond Reference Data & Information Discovery:**
A wealth of information on an open universe of bonds available at your disposal.
- **AIDAN:** An AI-Driven Bond Portfolio Manager for Asset Managers & Financial Advisors that provides access to market data to create portfolios and manage them using advanced analytical tools.

Key Metrics

2,000 Prospectuses and Documents Sourced p.a.

108 Analyst Hours Saved Monthly (avg.)

308 Enterprise Terminals Currently in Use

25,000 End Clients Benefitted

Our Partnership with PWMA

Complex Product Definition & Classification

- Fulfilling regulatory requirements and disclosures should not be a competitive advantage, but a tool readily available to all Financial Institutions.
- The collaboration aims to standardise and **simplify Product Due Diligence requirements** for Financial Institutions, and to ensure an industry-wide streamlined approach is adopted.
- The partnership also seeks to increase the degree of **data accuracy** and **competency** within the market, with oversight and governance from PWMA.

Why Bondlinc?

Data Quality

- Our unique position and partnerships within the market allow us to **cross-reference** data from various sources for better accuracy.
- Leverage on us for **data quality assurance** and rely on our **governance** frameworks. Alleviate yourself from menial tasks such as data interpretation, data challenges and maintenance of data.

Modular Platform

- We **cater to different workflows**, business models and banking systems across institutions.
- This allows for customisation to suit various needs, allowing for a greater product fit.

Fulfilling Pre-Sale Requirements

- One of the largest Fixed Income document repositories to **obtain prospectuses** and offering documents.
- **Generate real-time customizable factsheets** and investment documents for your clients.

Our Clients



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Why Is the Partnership Between PWMA and Bondlinc Important, and How Does It Affect You?

Investment Advisors have to be aware of complex product requirements established by the Securities and Futures Commission (SFC), as outlined in the July 2019 version of [Guidelines on Online Distribution and Advisory Platforms](#).

WHAT IS A COMPLEX PRODUCT?

A complex product is an investment product whose terms, features and risks are not reasonably likely to be understood by a retail investor because of its complex structure.

Set out below are some factors to determine an investment products' complexity:

- i. Whether the investment product is a **derivative product**;
- ii. Whether a **secondary market** is available for the investment product at publicly available prices;
- iii. Whether is **adequate and transparent information** about the investment product available to retail investors;
- iv. Whether there is a **risk of losing more than capital outlay**;
- v. Whether any features or terms of the investment product could fundamentally alter the **nature or risk of the investment** or **pay-out profile** or include multiple variables or complicated formulas to determine the return; and
Note: this would include, for example, investments that incorporate a right for the investment product issuer to convert the instrument into a different investment.
- vi. Whether any features or terms of the investment product might **render the investment illiquid and/or difficult to value**.

WHY IS DETERMINING COMPLEX PRODUCT IMPORTANT?

To enhance investor protection in regards to complex products, whose more complex terms, features and risks may not be easily or readily understood by a typical retail investor, the SFC extended its suitability requirements to the sale of complex products

Financial Institutions (FIs) should determine whether a product may be treated as non-complex or complex with due skill, care and diligence. FIs should ensure key product terms and complex features are provided to the investor. There should be prominent and clear warning statement(s) on their Online Platforms, where appropriate, to warn clients about a complex product prior to and reasonably proximate to the point of sale or advice.

HAVE YOU ADHERED TO YOUR PRODUCT DUE DILIGENCE?

Leverage on us to free up your resources for issues that matter more for you!

CLICK THROUGH TO FIND OUT HOW WE CAN HELP

<https://vimeo.com/444143366>

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IMPLICATIONS OF NON-COMPLIANCE: Case Studies of HK SFC Regulatory Fines / Bans

Regulatory Gap	Case	Firm / Fine	How Bondlinc Helps?
Risk Disclosures	RM failed to explain the Chinese account opening documents & risk disclosure statements to the client to ensure the client understood the content and relevant risks before signing the documents, despite being aware that client had difficulty understanding the Chinese documents.	Individual / Banned for 20 months	<ul style="list-style-type: none"> Pre-trade risk disclosures in Bond Factsheet generated by Bondlinc that RMs can send to clients
Chapter 37	When recommending Chapter 37 bonds, the firm failed to conduct proper due diligence , check for suitability , maintain proper document records of investment advice given, and have in place adequate controls to ensure compliance with regulatory requirements and monitor sale & distribution of investment products.	Firm / Fined HK\$6.4 million	<ul style="list-style-type: none"> Chapter 37 flags and checks against HKEx database Maintain audit trail to ensure proper document records are kept
Chapter 37	The Firm failed to conduct adequate product due diligence and have in place effective internal controls to ensure compliance with regulatory requirements and monitor sale & distribution of investment products.	Firm / Fined HK\$10 million	<ul style="list-style-type: none"> Chapter 37 flags and checks against HKEx database Maintain audit trail to ensure proper document records are kept
Chapter 37	The Firm failed to conduct adequate product due diligence , assess client risk suitability , provide adequate bond information to Sales to ensure they understood the products & risks involved, and maintain proper document records of investment advice given.	Firm / Fined HK\$9.6 million	<ul style="list-style-type: none"> Bond Factsheet for Sales outlining product information and risk disclosures Chapter 37 flags and checks against HKEx database Maintain audit trail to ensure proper document records are kept
Inaccurate Information	RM failed to disclose accurate information about final execution prices and commission charged	Individual / Banned for 14 months	<ul style="list-style-type: none"> Pricing & Commissions Transparency on Bondlinc platform Maintain audit trail to ensure document records