

## Frequently Asked Questions on Blue Chip Investment Plan (BCIP)

### BCIP Application

#### **1. What do I need to start a BCIP account?**

You can invest BCIP using Cash or SRS. You do not need to open any securities trading account or Central Depository (Pte) Ltd (CDP) account to start a BCIP account.

Mode of investment	OCBC deposit account	OCBC Online Banking	OCBC SRS account
Cash	√	√	
SRS (only applicable for Single Account)	√	√	√

If you do not have an OCBC SRS investment account, you may open one online through OCBC Online Banking.

If you do not have an OCBC deposit account or OCBC Online Banking, the BCIP application form allows you to apply for the two accounts at the same time. Download the application form on [www.ocbc.com/bluechip](http://www.ocbc.com/bluechip), complete and mail it in.

#### **2. How long does it take for my BCIP account to be opened? How do I know if it is successful?**

You will receive an SMS on whether your BCIP account has been successfully opened seven business days after we receive your BCIP application form. This notification will be sent to the contact number as per your mobile phone records with the Bank.

If your account opening is unsuccessful, we will notify you through SMS.

#### **3. Can I use a joint account as my settlement account?**

Yes, you can choose a joint OCBC deposit account for debiting and crediting in relation to your BCIP account. However, any joint account that requires two or more signatures is not allowed for use as a settlement account.

#### 4. If I apply today, when does my plan start? Is there a cutoff time for submission?

If your BCIP application is received by us between the 1st day of the month and 12pm on the last business day of the month: We will execute your order on the 22nd of the following month from the date your application was approved (or, in the event we are unable to do so in that month, the 22nd of the second following month. We will notify you in advance if this is the case).

If your BCIP application is received by us after 12pm on the last business day of the month: Your application will be deemed as having been received by us on the first business day of the next month, and your order will be executed accordingly.

Please refer to the illustration in the following table:

Action	Example
Your BCIP application is received between the 1st day and 12pm on the last business day of the month.	We received your BCIP application on 10 July 2020. Your order will be executed on the 22nd of August 2020 (or, in the event we are unable to do so in August 2020, on the 22nd of September 2020).
Your BCIP application is received after 12pm on the last business day of the month (application will be treated as having been received by us on the first business day of the next month)	We received your BCIP application at 3pm on 31 July 2020. Your application will be deemed to have been received by us on 1 August 2020.  Your order will be executed on the 22nd of September 2020 (or, in the event we are unable to do so in September, on the 22nd of October 2020).

### [BCIP Fees & Charges](#)

#### 5. Am I eligible for FRANK's preferential BCIP fees?

You will be eligible if you are below 30 years old and signed up for a BCIP account on/after 28 June 2019.

#### 6. Will I still get to enjoy FRANK's preferential BCIP fees when I turn 30 years old?

Based on calendar year, when you turn 30 years old, you will be charged a 0.3% fee based on your total transaction amount with a minimum fee of \$5 per counter per transaction.

### [BCIP Joint Account with Minor](#)

#### 7. Who is eligible to apply for a BCIP joint account with minor?

Only one adult (parent / legal guardian) and one child (below 18 years old) may apply to be joint account holders for each BCIP joint account with minor.

#### 8. Who can give instructions to sell or make amendments to the BCIP joint account with minor account?

When the child is below 18, only the parent / legal guardian will be allowed to give instructions to sell or make amendments.

Once the child turns 18, the child will have equal rights as the parent / legal guardian and allowed to give instructions to sell or make amendments to the BCIP joint account.

### BCIP Mechanics - General

#### **9. How is the list of counters selected?**

In the initial launch of BCIP, the share counters were shortlisted from the 30 companies which make up the Straits Times Index (STI), on the mainboard of the Singapore Exchange, and are traded on the Singapore stock exchange. The Nikko AM STI ETF is an ETF which is an Excluded Investment Product (EIP) with sufficient liquidity.

#### **10. Will these counters be reviewed? Will new counters be added and existing counters be removed in future?**

The constituents of the Straits Times Index (STI) are reviewed every half-yearly by FTSE Group (FTSE). Index reviews take place semi-annually in March and September. The list of counters available for purchase under BCIP will be reviewed if companies are added to, or removed from the STI based on the index reviews, and not based on performance. New BCIP counters outside of the STI may be added in the future.

#### **11. Am I entitled to dividends under BCIP?**

Yes, you will be entitled to dividends, whenever declared by the respective company or ETF.

#### **12. How are dividends paid out?**

If you use cash as your settlement mode:

Cash dividends will be credited to your designated OCBC deposit account you had used to purchase your existing share holdings. Stock dividend or bonus issues will be safe-kept with OCBC Securities Pte. Ltd, as appointed by OCBC Bank.

If you use SRS as your settlement mode:

Cash dividends will be credited to your designated OCBC SRS account. Stock dividend or bonus issues will be kept in an account in the name of OCBC Nominees Singapore Private Limited.

### BCIP Mechanics – Purchase and Sale

#### **13. How is the Average Purchase Price of the share determined?**

On the Purchase Date, we aggregate the orders of all customers to purchase the shares. The Average Price is calculated by dividing the total cost of purchasing the shares by the total quantity of shares purchased. All customers who purchase the same share counter will be charged the same average purchase price.

#### **14. How is the quantity of shares I am allocated determined?**

The quantity of shares you are allocated is calculated by taking the investment amount you have indicated (less fees), divided by the average purchase price. The quantity will be rounded down to the nearest whole number.

If you use cash as your settlement mode:

We will credit the unutilised portion of the Gross Investment Amount after excluding the fees (i.e. the residual monies which was not utilised to purchase Securities) back to your GIRO-linked account.

If you use SRS as your settlement mode:

We will only debit an amount equivalent to the gross investment amount plus fees for the Securities actually purchased from the Customer's SRS account.

#### **15. How is the Average Sale Price of the share determined?**

On the Sale Date, we aggregate the orders of all customers who wish to sell the shares. The Average Sale Price is calculated by dividing the total proceeds from the shares sold by the total quantity of shares sold. All customers who sold the same share counter will be credited with proceeds using the same average sale price.

#### **16. Do I need to wait and accumulate a full lot size of 100 shares before I can sell off my shares accumulated under the BCIP?**

No, you don't have to. With the BCIP, you have the flexibility of selling off odd lots of shares on the unit share market. You may sell any quantity of shares which are accumulated through the BCIP.

However, you should consider accumulating your shareholdings to a full lot size before selling them, instead of timing the market. This is because when you sell off odd quantity of shares that are not in standard lot sizes, you may not get a price that is as competitive as a full lot size due to lack of liquidity. Also, the fees applicable to sell orders are on a per transaction basis, so it may make sense to accumulate your shareholdings to a reasonable size before selling.

#### **17. What is a "buy-in" and why does it happen?**

When you sell more shares than you own (known as a "short-sell"), SGX may conduct a "buy-in" to ensure that the quantity that was short-sold is covered. When a "buy-in" occurs, you will be liable for any losses and charges in relation to the buy-in.

### **BCIP Payment**

#### **18. When will my funds be deducted from my account?**

If you are investing using your OCBC deposit account, GIRO deduction occurs on the 17th of every month. If it happens to be on a non-business day, the deduction will be carried out on the preceding business day. You will have to ensure sufficient funds in your account two business days before the GIRO deduction date.

If you are investing using your OCBC SRS account, deduction of funds occurs three business days from the purchase execution date. If deduction of funds from your OCBC SRS account fails, we will deduct the funds from the OCBC deposit account indicated in your application. If the deduction is also unsuccessful, a force-sale on the securities may be performed.

#### **19. Why do I need to ensure that there are sufficient funds in my account two business days before the GIRO deduction date?**

Ensuring sufficient funds in your account before the actual GIRO deduction date facilitates the successful GIRO deduction for your monthly purchase. If your account is not funded in time, it

may lead to an unsuccessful deduction, and your purchase instruction for the particular securities will be terminated upon three such consecutive unsuccessful payments.

### BCIP Custody of Shares

#### **20. Do I need to open a securities trading account or Central Depository (CDP) account to safe keep my shares?**

You do not need to open a securities trading account or CDP account.

If you are investing using cash, OCBC Bank has appointed OCBC Securities Pte. Ltd to safe keep your shares purchased under the BCIP.

If you are investing using SRS, your shareholdings will be kept in an account in the name of OCBC Nominees Singapore Private Limited.

#### **21. Can I use my existing CDP Account to safe keep my shares?**

No, you will not be able to use your existing CDP account as a custody option under the BCIP. Under the BCIP, you will be able to view your shareholdings through OCBC Online Banking as part of your overall portfolio.

### BCIP Transfer of Shares

#### **22. Can I transfer my shares to CDP / other financial institutions?**

For shares settled by cash, you may transfer your shares to a CDP account or an account with other Financial Institutions.

For shares settled by SRS, you will not be able to transfer out your shares.

#### **23. How do I transfer my shares out?**

You can visit any OCBC Bank branch with the required supporting documents to obtain, complete and submit the transfer form.

#### **24. What are the supporting documents required for the transfer out?**

Please see the table below for details and refer to [www.ocbc.com/bluechip](http://www.ocbc.com/bluechip) for the relevant charges:

Transfer out to	Supporting documents required
An account in your name or where you are one of the joint account holders	Copy of your NRIC / Passport
An account not in your name, but in the name of an immediate family member	<ul style="list-style-type: none"> <li>• Copy of your NRIC / Passport; and</li> <li>• Copies of certificates establishing your relationship with immediate family member (e.g. birth certificate, marriage certificate etc)</li> </ul>
An account not in your name, and not belonging to an immediate family member	<ul style="list-style-type: none"> <li>• Copy of your NRIC or passport; and</li> <li>• Sale &amp; Purchase agreement endorsed by a lawyer</li> </ul>

### [View BCIP Shareholdings](#)

#### **25. How do I check how many shares I have accumulated under the BCIP?**

You can view your shareholdings by logging on to OCBC Online Banking. The shareholdings will be updated four business days after the purchase or sale date.

#### **26. How do you determine the market value of the shares shown in OCBC Online Banking?**

OCBC Online Banking shows an approximate value of your shareholdings under BCIP, based on the last done price two business days before.

### [Voting Rights & Annual Reports](#)

#### **27. Do I have the same voting rights as normal shareholders?**

Under the BCIP, your voting rights entitlement will be waived.

#### **28. Will I receive annual reports of the company like a normal shareholder?**

Annual reports will not be sent directly to you by the company which you hold shares of. You may visit the relevant company's webpage to obtain the annual report.

### [Other Enquiries](#)

#### **29. I have just submitted my BCIP application but changed my mind. How do I cancel my application?**

You may submit an instruction to us through OCBC Online Banking. Go to the Blue Chip Investment Plan page, select 'Amend your plan', and choose 'Stop monthly investments / Cancel my BCIP application' in Section 2c.

Submit your instruction to cancel your BCIP application before 12pm on the 10<sup>th</sup> of the month, and we will revoke your BCIP application in the same month if your plan is not yet effective.

**30. I have an existing BCIP account. Can I amend my existing plan, and when will the changes be effective?**

Action	Inform us by	Effective by
To amend (selection of counters, monthly investment amount, or settlement account used for debiting and crediting in relation to BCIP)	Before 12pm on the last business day of each month	The following month
To sell	By 2.30pm on any business day	The next business day. You will receive your funds three business days from the date of execution.
To stop monthly investment	Before 12pm on 10th of each month	The current month

The above effective timelines apply to successful BCIP applications approved by OCBC Bank.

**31. How do I close my BCIP account?**

You will need to provide us with a written instruction to close your BCIP account at any of our OCBC Bank branches.

**32. Who can assist me if I have further enquiries regarding BCIP?**

Please visit our website [www.ocbc.com/bluechip](http://www.ocbc.com/bluechip) for details on the plan. If you have further enquiries regarding the BCIP features or application process, you may call our hotline at 1800 363 3333.