

Terms and Conditions of Intraday RMB Liquidity Facility

Operating hours	8:30 am to 11:30 pm on each operating day of RMB RTGS
Banks eligible ⁽¹⁾	AIs participating in RMB business (Participating AIs)
Mode of operation	<ul style="list-style-type: none"> • Participating AIs may initiate intraday repo transactions with the HKMA via the CMU Member Terminal (CMT) (see details in operating procedures of the CMU⁽²⁾) • Intraday repo not repaid before the cut-off time of 11:30pm will be converted into overnight repo, and subject to overnight interest charge in addition to any interest charge payable on intraday repo during the day
Interest rate	<ul style="list-style-type: none"> • TMA overnight CNH HIBOR fixing as of 11:00 am (or the fixing on the nearest preceding day if it is not available on an operating day of RMB RTGS) • To be charged based on the actual time used during the day on a per minute basis
Eligible collateral	<ul style="list-style-type: none"> • Exchange Fund Bills and Notes (EFBN) • HKSAR Government bonds (HKGB) • RMB denominated bonds issued in Hong Kong by the Ministry of Finance of the People's Republic of China (CMOF) • RMB denominated bonds issued in Hong Kong by policy banks of the People's Republic of China, including Agricultural Development Bank of China, China Development Bank, and Export and Import Bank of China
Haircut on eligible collateral	<ul style="list-style-type: none"> • EFBN and HKGB: 2% per year of remaining maturity, plus 2% (for cross-currency haircut) • CMOF and China policy bank bonds: 2% per year of remaining maturity, minimum 2%
Interest payment	<ul style="list-style-type: none"> • HKMA to issue a statement to each Participating AI on a monthly basis • Clearing Bank will collect the interest amount on behalf of the HKMA once a month by debiting the accounts of Participating AIs

Note:

- (1) Participating AIs are required to have signed a tripartite Master Sale and Repurchase Agreement with the HKMA and the RMB Clearing Bank.
- (2) CMU operating procedures include Exchange Fund Bills and Notes Clearing and Settlement System Reference Manual, CMU Service Reference Manual and relevant circulars issued by the HKMA from time to time.