



HONG KONG MONETARY AUTHORITY
香港金融管理局

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The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Good practices in supporting corporate clients' Renminbi (RMB)-related needs

I am writing to share a set of good industry practices that the Hong Kong Monetary Authority (HKMA) observed through our recent engagements with the banking sector on the development of Hong Kong's offshore RMB market. The practices highlight the proactive role Authorized Institutions (AIs) can play in supporting corporate clients' RMB-related needs, particularly in relation to real economic activities, international trade, and cross-border investment.

In recent years, we have seen an increase in the adoption of RMB by Chinese corporates, multinational corporations and financial institutions, and Hong Kong's role as the leading hub for offshore RMB business is central to this development. This trend is being driven by the expanding international footprint of Chinese corporates, which increasingly use RMB for trade settlements, treasury management, capital fundraising, and direct overseas investment.

AIs in Hong Kong have responded with greater strategic focus, by developing tailored RMB solutions, expanding product offerings, and allocating greater resources to strengthen capabilities across multiple business lines. Leveraging their extensive intra- and inter-bank networks, as well as established client relationships, many AIs have moved beyond transactional support to delivering integrated, enterprise-wide RMB optimisation solutions across multiple product areas and geographies.

The good practices in the **Annex** highlight six key areas where the banking industry has demonstrated excellence in RMB strategy and client service, namely:

1. Deliver tailored RMB products and services with comprehensive client coverage;
2. Actively leverage Hong Kong's RMB business strengths in serving clients;
3. Enhance AIs' internal structure to fit RMB business strategies;
4. Enhance cross-boundary intra-bank collaboration and leverage overseas banking network;
5. Identify emerging opportunities along Chinese corporates' go-global journey; and
6. Step up outreach and market promotion efforts.

These practices represent approaches that can serve as a reference for AIs seeking to expand RMB business opportunities, address operational challenges, enhance client experience, and attract new corporate clients.

The HKMA is committed to fostering a more dynamic, efficient, and client-centric RMB ecosystem in Hong Kong and supporting the continued adoption and use of RMB. We will continue our engagement with the banking sector and we welcome further sharing and feedback from the industry on these practices, particularly on implementation challenges, gaps in service, or opportunities for improvement.

Should you have any questions or wish to share your experiences, please contact us at: rmb_team@hkma.gov.hk.

Yours faithfully,

Eddie Yue
Chief Executive

Encl.

Good Practices in Supporting Corporate Clients' RMB-related Needs

AIs are expanding their RMB business by actively encouraging and facilitating the adoption of offshore RMB solutions among their corporate clients. This Annex outlines a set of good industry practices that the HKMA observed through our engagements with the banking industry.

1. Deliver tailored RMB products and services with comprehensive client coverage

- a) *Offer a client-focused suite of RMB solutions:* Through ongoing and comprehensive client coverage, AIs are expanding their RMB products and services offerings to meet clients' diverse business needs, ranging from basic, transactional services to advanced, enterprise-wide solutions. Core services include RMB deposit accounts, payment and settlement capabilities, and credit facilities. It is also common for AIs to support the more sophisticated clients that have global operations beyond the Chinese Mainland and Hong Kong. For example, with more multinational corporations using RMB for treasury management, some AIs are providing more comprehensive, one-stop services, including integrated enterprise-wide RMB optimisation solutions across products and geographies, such as RMB centralisation via cash pooling, risk management via hedging tools, tailored RMB payable and receivable solutions, etc.
- b) *Highlight tangible benefits such as cost reduction and operational efficiency:* Some AIs are proactively demonstrating to their clients the advantages of using RMB in cross-border transactions and financing, including: reducing foreign exchange risk, streamlining treasury operations by lightening the complexity of managing multiple accounts and currency exposures, lowering financing costs amid the low-interest-rate environment, and enhancing payment efficiency in supporting supply chain diversification. These benefits are increasingly resonating with clients, translating into measurable cost savings and improved operational efficiency, and driving real adoption. By consistently linking RMB usage to concrete financial outcomes, AIs are reinforcing the practical value of adopting RMB in real-economy operations.
- c) *Enable clients' RMB transition through proactive support:* Corporate adoption of RMB often follows a phased journey from exploration to implementation. Success stories show that clients are more inclined to adopt RMB when supported by reliable expert guidance. AIs that offer consistent, end-to-end support can significantly accelerate adoption and

build long-term client trust, for example, by clarifying regulatory and policy requirements, providing timely updates on market developments and industry trends, assisting with internal system adjustments and operational workflows, etc. The full-fledged support strengthens clients' confidence and commitment, and enables smoother, faster transitions to RMB-based operations. Based on successful cases gathered from AIs, corporates are usually more willing to transition to RMB in the following situations that involve:

- Intra-group RMB settlements to eliminate foreign exchange losses and streamline operations;
 - Corporates or sectors better positioned to require RMB invoicing and payment;
 - Corporates with surplus funding seeking RMB investment or asset allocation (e.g. through Connect Schemes);
 - Corporates with strategic need for treasury centralisation, driving financial reporting in RMB for transparency and control;
 - Limited liquidity of other major currencies in overseas local markets, prompting exploration of RMB as an alternative; and
 - Overseas markets having substantial trade and investment relationship with the Chinese Mainland, creating natural RMB invoicing opportunities.
- d) *Offer competitive incentives:* To encourage RMB adoption, some AIs offer targeted incentives such as promotional pricing. These measures help lower the cost of cross-border trade and investment transactions, making RMB a more attractive option. Such incentives are particularly effective in attracting new clients and accelerating the adoption of RMB services in terms of promoting the willingness to use RMB or overcome inertia, and their strategic deployment can create a more favourable condition for clients to explore and expand their RMB footprint.

2. Actively leverage Hong Kong's RMB business strengths in serving clients

- a) *Encourage corporate clients to base their RMB cash pools in Hong Kong:* Some AIs support corporates in relocating group RMB cash pools to Hong Kong, leveraging its position as the leading offshore RMB clearing hub. This enables faster, more efficient settlement and cross-border RMB flows between Hong Kong and the Chinese Mainland, particularly for trade settlement and intra-group financing.

- b) *Empower corporate clients' easier access to stable, low-cost RMB funding and radiate the RMB funding from Hong Kong to overseas via the HKMA's RMB Business Facility (RBF):* With RBF as a source of funding, some AIs are able to expand their RMB financing business for corporate clients (ranging from small businesses to conglomerates), thereby fostering wider use of RMB in the real economy in Hong Kong and overseas. Some examples of effective utilisation of RMB funding from the RBF include:
- Providing eligible RMB financing to Chinese corporates that have Hong Kong-based corporate treasury centres, offshore financing centres or sales trading arms in support of their daily operating expenses, research and development costs, outward direct investments, etc. This supports corporates in diversifying their funding sources to include both onshore and offshore channels;
 - Providing eligible RMB financing to Hong Kong and overseas corporate clients with RMB payables and / or receivables, in support of their trade settlement needs and / or working capital of their operations in the Chinese Mainland, as well as their direct investments into the Mainland;
 - Fostering Chinese corporate clients' international growth by supporting their overseas working capital needs and outbound business expansion / direct investment in regions such as the ASEAN, the Middle East and Europe.
- c) *Maximise RMB payment efficiency via robust RMB infrastructure:* Riding on multiple RMB payment channels in Hong Kong, including the well-established RMB Real Time Gross Settlement system, linkages with other RMB payment systems such as the Cross-border Interbank Payment System, and other emerging forms of digital money, AIs can seamlessly and efficiently process cross-border RMB payments based on their business model and client needs. This flexibility can support corporates to centralise their intra-group RMB activities in Hong Kong, enabling greater control and transparency via the enhanced cross-border RMB payment capabilities. Advantages include faster processing, lower fees, and extended cut-off hours that significantly improve efficiency and reliability for RMB transactions.
- d) *Capitalise on Hong Kong's business-friendly operating environment:* Hong Kong's business hours closely align with those of the Chinese Mainland, enabling real-time coordination of RMB settlements and treasury operations. This integration supports timely decision-making, reduces operational delays and minimises friction in cross-border financial activities. Some AIs are assisting corporates in optimising their

RMB operations by recommending setting up overseas headquarters, regional offices or treasury centres in Hong Kong, taking advantage of free capital flow, a simple and low tax regime, and a stable financial system to improve efficiency, control, and scalability, all while maintaining full compliance with international rules and regulations. By embedding Hong Kong's advantages into client strategies, AIs help corporates build efficient, scalable, and compliant RMB operations.

3. Enhance AIs' internal structure to fit RMB business strategies

- a) *Define key strategies, complemented with performance indicators to monitor progress:* Some AIs prioritise RMB business with strong support from top management by defining high-level business goals, allocating dedicated resources and guiding internal coordination across functions and departments. These AIs have specific RMB business metrics and key performance indicators, covering assets and liabilities, transaction volumes and frequency, RMB clients on-boarding etc., which serves as essential tools for ongoing business tracking and performance review. This structured approach ensures that AI's RMB strategy remains visible, measurable, and aligned with broader business objectives.
- b) *Set up dedicated RMB units / teams:* Some AIs set up dedicated strategic units for RMB business. Depending on AI's internal division of labour and resources allocation, the RMB business unit may operate as a specialised team focusing on strategic development and performance monitoring, or it may be led by a steering committee. This centralised unit can play a key role in driving and expanding clients' RMB adoption by leveraging and coordinating internal resources across client coverage, product development, and other relevant teams. The presence of a dedicated unit ensures consistent service delivery, faster innovation, and stronger client engagement.

4. Enhance cross-boundary intra-bank collaboration and leverage overseas banking network

- a) *Collaborate with onshore branches / units:* For some AIs, the collaboration between their offshore and onshore teams has been institutionalised through some form of structured framework that ensures consistent and coordinated engagement. This structured partnership enables systematic identification of clients with offshore RMB needs and provides direct access to timely insights on policy developments, regulatory guidance, and market practice. These are all essential for AI's effective product design, regulatory compliance and strategic decision-making. In particular, some AIs have a strategic focus to continuously expand and deepen their cross-boundary regulatory compliance expertise. They develop robust cross-boundary compliance and regulatory advisory

frameworks to support RMB-related international business. These capabilities enable the timely ingestion of RMB regulatory updates (such as new product launches and breach cases), conversion into actionable, scenario-based guidance, as well as effective risk management. Through seamless collaboration across regions and teams, AIs can ensure clients receive holistic, consistent, and compliant RMB solutions across jurisdictions, reinforcing trust and operational resilience.

- b) *Leverage overseas network:* Some AIs capitalise on Hong Kong's strategic position as a global financial hub to deliver coordinated, end-to-end RMB solutions across multiple jurisdictions. With a broad network of overseas branches and subsidiaries, they ensure consistent and scalable service delivery for multinational corporations. These AIs provide RMB services across their international footprint, enabling clients to access borderless solutions such as trade finance, cash management, and financing. This integration ensures operational continuity and minimises cross-border frictions. Some AIs support corporates operating in Belt and Road economies by facilitating RMB-denominated financing, trade settlements, and cross-border cash management. This strengthens financial connectivity between Hong Kong and emerging markets, promoting RMB as a practical and trusted currency in regional trade and investment. Some AIs also make use of RBF for on-lending to overseas clients through intra-group funding. Overall, the global reach of AIs enables seamless, scalable RMB adoption, especially in regions with growing trade and investment with China.

5. Identify emerging opportunities along Chinese corporates' go-global journey

- a) The global expansion of Chinese corporates is driving RMB volumes and creating scope for direct RMB settlement, as AIs help match RMB payment and settlement needs both within and across different corporate groups (i.e. intra- and inter-group RMB transactions). Some AIs, particularly those with extensive networks and strong corporate relationships, are actively helping clients shift settlement and transaction currency into RMB by matching RMB flows between independent counterparties. For example, AIs can act as intermediaries to facilitate direct offshore RMB settlement between suppliers with RMB receivables and buyers with RMB payables. This can further facilitate the international use of RMB, both in terms of geographic coverage and in increasingly complex transactions. By streamlining cross-border settlements, corporates and AIs can optimise cash flow and reduce currency conversion needs. More broadly, this highlights how the global expansion of Chinese corporates can accelerate RMB adoption in trade, investments and cross-border treasury activities, with AIs serving as enablers of a more efficient, interconnected RMB ecosystem.

6. Step up outreach and market promotion efforts

- a) *Proactive market education and engagement:* Major AIs are assisting corporates in enhancing institutional capacities and fostering informed decision-making among treasury and financing teams. Through actively engagement and knowledge-sharing initiatives, such as thematic RMB forums, sector-specific seminars and webinars, and real-time insights via client dialogues and exchanges, these AIs keep their corporate clients updated about evolving market dynamics and deepen their understanding of the benefits of RMB usage. Some AIs conduct regular surveys and targeted market research and releasing findings to update industry trends and market observations. Such initiatives also sustain awareness and encourage self-driven RMB adoption. These efforts cultivate a deeper, more informed client base, positioning AIs as trusted advisors in RMB adoption.