



What does it take to develop a Global Offshore RMB Hub?

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What has changed in 5 years?

HK as offshore RMB Hub

	RMB (bn)		
	1H 2010	1H 2014	
Deposits (incl. Certificate of Deposit) as at end of half year	90	1,125	12 times
Trade Settlement Handled by Hong Kong Banks Total amount during half year	27	2,926	107 times
Bonds Issuance (Outstanding) as at end of half year	30	384	12 times
RTGS Average daily turnover	0.7	692	988 times



What does it take to develop a Global Offshore RMB Hub?

PIPS



Policy Headroom

Infrastructure

People & Products



Offshore RMB Markets

Major Milestones



2011

- Permission to use RMB for FDI and ODI

2011

- Launch of RMB Qualified Foreign Institutional Investors (RQFII) Scheme

2014

- Approval of Shanghai-Hong Kong Stock Connect Programme



Essential Financial Market Infrastructure

Clearing and Settlement Systems

- **RTGS**
- **PvP**
- **CMU**

Regulatory Environment

- **Robust yet market friendly**

Financial Benchmark

- **CNH FX / Interest Rate Fixing**

Liquidity



HKMA's Measure to Support Liquidity in CNH Market

Intraday Liquidity

**Repo Facility
Up to RMB10 bn**

Repo Facility

T+2 *Jun 2012*

T+1 *Jan 2013*

T+0 *Jul 2013*

**Primary Liquidity
Providers (PLPs)**

- To help make market and provide liquidity in CNH markets
- HKMA provides a bilateral Repo facility to each PLP