Signing of the Revised “Settlement Agreement on the Clearing of RMB Businesses” by The People’s Bank of China and Bank of China (Hong Kong)

The People’s Bank of China (“PBoC”) and Bank of China (Hong Kong) (“BOCHK”) today signed the revised “Settlement Agreement on the Clearing of Renminbi (RMB) Businesses” (the “Settlement Agreement”). Ms. Hu Xiaolian, Deputy Governor of PBoC, Mr. Norman Chan, Chief Executive of Hong Kong Monetary Authority (“HKMA”) and Mr. He Guangbei, Vice Chairman and Chief Executive of BOCHK, officiated at the signing ceremony held at HKMA.

Mr. He Guangbei said, “The revised Settlement Agreement expands the scope of RMB businesses in Hong Kong and overseas, and enhances the flexibility for Hong Kong and overseas banks to conduct RMB businesses. It will lead to more diverse and robust development of RMB product and service offerings, further facilitating the RMB investment and trades. Hong Kong will also benefit as it can reinforce its status as an international financial centre.”

Following the revision of the Settlement Agreement, the scope of RMB business clearing service will be extended from Hong Kong, Macau and ASEAN countries to the world. Mr. He Guangbei anticipated that “the participating banks of Hong Kong and overseas can provide, subject to their respective local regulations and market demands, RMB services to various corporate and institutional customers. As a result, we can better meet the different needs of customers for RMB business. As for personal RMB business, there will be further wider use of RMB funds locally. Overseas markets other than Hong Kong and Macau can also conduct different types of personal RMB business according to the respective local regulations. We thus believe that the revised Settlement Agreement will substantially foster the development of personal RMB business in overseas markets.”

Under the revised Settlement Agreement, cross-border flows of RMB funds will remain regulated by the rules and requirements in the Mainland of China. This is to ensure the development of RMB businesses in overseas markets in an orderly manner.
As the sole Clearing Bank for RMB business in Hong Kong, BOCHK will, as always, provide impartial, timely, accurate and professional RMB clearing services to all the participating banks in Hong Kong and overseas. “Under the guidance of the regulatory authorities in the Mainland and Hong Kong, BOCHK will put into implementation all the details of RMB clearing businesses according to the revised Settlement Agreement. With our dedicated and concerted efforts, we will ensure that all the technical arrangements are well in place. We will also sign a new Agreement for Clearing and Settlement of RMB Business with the participating banks. Furthermore, we welcome new participating banks to open clearing accounts with us and provide them with the operation guidelines. In a nutshell, we will try our best endeavour to assure the continuous efficiency of our RMB clearing services,” Mr. He Guangbei emphasized.

BOCHK was appointed as the Clearing Bank of RMB banking business in Hong Kong by the PBoC on 24 December 2003. In line with the steady expansion and development of RMB service, the operation has been running smoothly, providing comprehensive and efficient clearing services for all the participating banks. As a listed commercial bank with solid foundation and strong franchise, BOCHK enjoys various distinctive edges, including proven track record of RMB business and foreign currency notes delivery across the border for years. Furthermore, it has solid experience in handling the clearing business between Hong Kong and the Mainland of China, with an efficient cross-border clearing system and strong contingency backup capabilities. What is more, it has extensive connection in the Mainland and the largest branch network in Hong Kong, as well as sound knowledge in the financial policies and regulations of both markets. All these contribute to BOCHK’s success in its role as the RMB Clearing Bank, providing a strong base for its offer of quality RMB service. BOCHK was authorised as the Clearing Bank of RMB cashnotes business for Taiwan on 13 July 2010.

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About Bank of China (Hong Kong) Limited

Bank of China (Hong Kong) Limited ("BOCHK"), established on 1 October 2001, is a leading listed commercial banking group in Hong Kong. With over 270 branches, 480 ATMs and other distribution channels in Hong Kong, BOCHK and its subsidiaries offer a comprehensive range of financial products and services to individual and corporate customers. BOCHK is one of the three note issuing banks in Hong Kong. In addition, the BOCHK Group (comprising BOCHK, Nanyang Commercial Bank and Chiyu Banking Corporation) and its subsidiaries have 24 branches and sub-branches in the Mainland of China to provide cross-border banking services to customers in Hong Kong and the Mainland.

Since 24 December 2003, BOCHK has been appointed by the People’s Bank of China as the Clearing Bank for Renminbi business in Hong Kong. On 25 February 2004, BOCHK began to offer RMB Clearing Services in relation to deposit, exchange, remittance and bank card (bank card from April 2004) to Participating Banks in Hong Kong. To cater for the expanded Renminbi businesses, BOCHK has operated RMB Settlement System and Personal RMB Cheque Service on 6 March 2006. This was followed by RMB Bond Clearing Service on 18 June 2007. Commencing 6 July 2009, BOCHK provides RMB Trade Clearing Services. BOCHK was authorised as the Clearing Bank of RMB cashnotes business for Taiwan on 13 July 2010.

BOC Hong Kong (Holdings) Limited, BOCHK’s holding company, began trading on the main board of the Stock Exchange of Hong Kong on 25 July 2002, with stock code “2388”, ADR OTC Symbol “BHKLY”. 