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BOCHK joins the first batch of banks to conduct Project mBridge pilots and successfully completes a range of multi-CBDC real-value cross-border transactions

Bank of China (Hong Kong) (“BOCHK”) has joined the first batch of banks participating in the Project mBridge pilot programme, successfully completing a varied range of real-value cross-border transactions involving multiple central bank digital currencies (“CBDCs”). BOCHK’s participation is a clear demonstration of the Bank’s support for the technical pilot testing and proof-of-concept trial of various CBDCs, as well as its commitment to exploring the development opportunities for CBDCs to contribute to the digital economy.

Huang Jinyue, General Manager, Digital Currency Task Force, BOCHK, said, “By leveraging our expertise and strength in cross-border settlement, financial technology innovation and trade business, BOCHK has completed real-value cross-border CBDC trades on behalf of corporates with six commercial banks from China, the United Arab Emirates and Thailand. In addition, during the technical pilot testing, we have conducted cross-border real-value transactions in Hong Kong dollar CBDC (“e-HKD”)¹, carried out prototype verification of Chinese yuan CBDC (“e-CNY”) liquidity provision solutions, and worked with a number of customers to verify the foreign exchange (“FX”) transaction function between different CBDCs. We will continue to proactively explore CBDCs and accumulate hands-on experience, collaborating closely with relevant regulators to play an active role in promoting the development of CBDCs in cross-border financial services and innovative projects.”

You Yi, Deputy General Manager, Bao-Trans Enterprises Ltd, said, “We are delighted to be the first corporate to complete a cross-border remittance transaction on the mBridge platform through BOCHK. We conducted RMB remittances related to goods trade, including both remittances from the Chinese Mainland to Hong Kong and vice versa. We experienced first-hand how applying CBDCs to trading can increase the efficiency of international trade flows, by enabling corporates to process cross-border trade and payments in a more efficient and reliable way. We believe that, in the future, CBDCs will enhance the operational efficiency of the import and export business and tackle pain points in existing cross-border remittance services.”

Zhao Lishu, Executive Director, HBIS Group Beijing International Trade Co., Ltd, said, “We are honoured to be the first corporate to complete an FX transaction in Project mBridge through BOCHK. Using the issuance and cross-border payment versus payment (“PvP”) FX functions, our Hong Kong dollars were converted into e-CNY, which was then remitted from Hong Kong to the Chinese Mainland in order to settle an RMB cross-border remittance along with reliable trade verification. The market is increasingly focusing attention on the application of CBDCs to cross-border payment, and CBDCs’ immutability and traceability characteristics could play a fundamental role in cross-border trade.”

Project mBridge was among the first multi-CBDC projects to settle real-value, cross-border transactions on behalf of corporates, and is the largest cross-border CBDC pilot to date. Based on

insights gleaned from the pilots and hands-on experience of closely collaborating with many other banks and customers, BOCHK is well positioned for further research and development of CBDCs.

Remark

1. e-HKD refers to the cross-border wholesale use of the digital version of the Hong Kong dollar, in which participating commercial banks used on the mBridge platform.

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About Bank of China (Hong Kong) Limited

Bank of China (Hong Kong) Limited (“BOCHK”) is committed to pursuing its strategic goal to “Build a First-class Regional Banking Group” and promoting sustainable and high-quality development. Capitalising on its advantages as a major commercial banking group in Hong Kong, BOCHK continues to increase local market penetration, captures business opportunities in the Greater Bay Area and actively expands its business development in Southeast Asia. We strive to provide customers with comprehensive, professional and high-quality services. Entering a new era of smart banking, we endeavour to become a customer-centric digital bank by enhancing customer experience with innovative technology and offering intelligent products and services.

As one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong, BOCHK has strong market positions in all major businesses. Our strong RMB franchise has made us the first choice for customers in RMB business. We have the most extensive branch network and diverse service platforms in Hong Kong, as well as efficient e-channels such as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers.

We are actively pushing forward our regional development and expanding our business in the Southeast Asian region. With our branches and subsidiaries in Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos, Brunei and Myanmar, we support customers in the region with professional and high-quality financial services. Through close cooperation with our parent bank BOC, we provide a full range of high-quality cross-border services to multinationals, cross-border customers, mainland enterprises going global, central banks and super-sovereign organisations.

As a leading commercial and internationalised regional bank with deep roots in Hong Kong for over 100 years, BOCHK upholds its mission of “Bridge China and the World for the Common Good”. We are committed to undertaking our corporate social responsibilities, promoting long-term and balanced sustainable development, and delivering greater value for our stakeholders and the community.

BOC Hong Kong (Holdings) Limited is one of the largest listed companies on the Main Board of the Stock Exchange of Hong Kong, with stock code “2388” and ADR OTC Symbol “BHKLY”.