



HONG KONG MONETARY AUTHORITY
香港金融管理局

Press Releases

14 Jun 2012

Renminbi Liquidity Facility to Renminbi Business Participating Authorized Institutions

The Hong Kong Monetary Authority (HKMA) announced today (14 June 2012) a facility for providing renminbi (RMB) liquidity to Authorized Institutions participating in RMB business (Participating AIs) in Hong Kong. The facility will make use of the currency swap arrangement between the People's Bank of China and the HKMA. With effect from 15 June 2012, the HKMA will, in response to requests from individual Participating AIs, provide RMB term funds to the Participating AIs against eligible collateral acceptable to the HKMA. The terms and conditions for this facility are set out in the [Annex](#).

“The offshore RMB market in Hong Kong has been growing healthily in the past two years. The introduction of the facility is to support the continuous deepening of the RMB capital market in Hong Kong and to reinforce Hong Kong’s role as the global hub for offshore RMB business. It would serve to address short-term liquidity tightness that may arise from time to time, for example, due to capital market activities or sudden need for RMB liquidity by Participating AIs’ overseas bank customers. This would help enhance market confidence and support the long term development of the offshore market,” said Mr Peter Pang, Deputy Chief Executive of the HKMA.

Participating AIs are welcomed to use the RMB liquidity facility to manage their short-term liquidity needs and they may roll over the borrowings under this facility if needed. Nevertheless, this facility should not be regarded as a steady source of funding for their business. The HKMA will keep the terms and conditions of the facility under constant review, and where appropriate, make refinements in light of the experience in operating the facility.

Hong Kong Monetary Authority
14 June 2012

Last revision date : 14 June 2012