



HONG KONG MONETARY AUTHORITY  
香港金融管理局

# Co-operation with other Central Banks

Given the rapid development of the financial markets in the Asian region and the increasing complexity of issues faced by central banks, closer co-operation and exchange of views among central banks has become essential.

## Bilateral Repurchase Agreements

The HKMA has established a network of bilateral repurchase agreements on using US Treasuries with other regional central banks.

A bilateral repurchase agreement is a simultaneous agreement to buy securities for an agreed amount of cash and to sell back the same securities at a specific later date for a specified amount. To minimise credit risks, highly liquid US Government securities (i.e. US Treasuries) are used as the instruments in all the repurchase agreements signed between the HKMA and regional central banks.

The HKMA has entered into repurchase agreements with central banks or monetary authorities from Australia, Mainland China, Indonesia, Japan, [Korea](#), Malaysia, [New Zealand](#), the Philippines, Singapore and Thailand.

## Liquidity Arrangements

The HKMA and the People's Bank of China signed a currency swap agreement on 20 January 2009, under which short-term liquidity support can be provided to the Mainland operations of Hong Kong banks and the Hong Kong operations of Mainland banks in case of need. The agreement also helps the development of renminbi-denominated trade transactions between Hong Kong and the Mainland.

On 26 May 2009, the HKMA and [De Nederlandsche Bank N.V. \(DNB\)](#) jointly announced the signing of a Memorandum of Understanding for a liquidity arrangement to be applied for non-routine situations. Under the arrangement, Dutch banks operating in Hong Kong or Hong Kong banks operating in the Netherlands can approach the HKMA or DNB to ask for liquidity assistance if the need arises.

## Bilateral Meetings

The HKMA holds regular bilateral meetings with other central banks in the region to discuss matters of common interest. These bilateral meetings aim at promoting co-operation among central banks and mutual understanding of the latest economic development.

## Central Banking Seminars

The HKMA has organised seminars in association with the International Monetary Fund, and the World Bank Group to promote understanding of key central banking and global financial issues.

## Related Information

### Press Release(s)

[International & Regional Financial Co-operation](#)

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[Currency Swap Agreement between PBoC and HKMA](#)

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