



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Press Releases

03 Nov 2014

## HKMA Designates Seven CNH Primary Liquidity Providers

The Hong Kong Monetary Authority (HKMA) announced today that it has designated seven banks<sup>1</sup> as Primary Liquidity Providers (PLPs) for offshore renminbi market in Hong Kong (i.e. CNH market).

These designated PLPs have pledged to expand their market-making activities in Hong Kong for various CNH instruments, and use the Hong Kong platform in promoting their global offshore renminbi business. In return, the HKMA provides a dedicated repo facility of RMB2 billion to each of the PLPs so as to facilitate more efficient liquidity management when they carry out more market-making and other business activities in the CNH market.

The seven PLPs were selected through a competitive process among the 16 contributing banks for CNH HIBOR fixing, which are all active participants in the CNH market. The selection was based on a wide range of criteria, including the institution's global network, capability in providing CNH funding and making market for CNH instruments, and commitment to using Hong Kong as a global hub for offshore renminbi business.

"The launch of the PLP initiative is an important step for further enhancing the infrastructure for the offshore renminbi market in Hong Kong. The PLPs will help make the CNH products in Hong Kong more liquid and make more use of Hong Kong to support their CNH business worldwide. This will reinforce the status of Hong Kong as the global hub for offshore renminbi business", said Mr Norman Chan, Chief Executive of the HKMA.

The designation is for a term of two years, with effect from 27 October 2014. The HKMA will regularly review the experience in operating the scheme and its effectiveness, and consider the need for any refinements, including the number of PLPs and the modalities of the repo facility.

Hong Kong Monetary Authority  
3 November 2014

---

<sup>1</sup> The seven designated banks are:  
Bank of China (Hong Kong) Limited  
BNP Paribas

China Construction Bank (Asia) Corporation Limited  
Citibank N.A.  
Hongkong and Shanghai Banking Corporation Limited, The  
Industrial and Commercial Bank of China (Asia) Limited  
Standard Chartered Bank (Hong Kong) Limited

Last revision date : 03 November 2014