



HONG KONG MONETARY AUTHORITY  
香港金融管理局

## Press Releases

03 Nov 2014

# Introduction of Intraday Repo under the Renminbi Liquidity Facility

The Hong Kong Monetary Authority (HKMA) announces today (3 November 2014) the provision of renminbi (RMB) intraday liquidity to Authorized Institutions participating in RMB business (Participating AIs) in Hong Kong with effect from 10 November 2014.

Under the existing RMB Liquidity Facility, the HKMA provides overnight funds on T+0 basis as well as one-day and one-week funds settled on T+1 basis. In light of the increased volume of payments alongside the growth of the offshore RMB market, the HKMA will provide intraday RMB funds of up to RMB10 billion to assist Participating AIs in managing their RMB liquidity and to promote efficient payment flows in Hong Kong. This would also provide banks with greater flexibility in managing their payment flows upon the launch of the Shanghai-Hong Kong Stock Connect in the future.

Starting from 10 November 2014, Participating AIs may initiate a sale and repurchase (repo) transaction with the HKMA to obtain intraday RMB funds. The HKMA will charge a fee, based on the actual time of usage, with reference to the prevailing overnight interest rate.

The existing list of securities eligible for the existing RMB liquidity facility will be expanded to include RMB bonds issued by China's policy banks in Hong Kong. This expanded list will be applicable for both the new intraday repo and the existing repo tenors. The terms and conditions of the repo for intraday and other tenors are set out at Annexes [1](#) and [2](#).

"The volume of RMB payments has witnessed phenomenal growth in the past few years. In just the last 12 months the average daily transaction volume in the Real Time Gross Settlement system increased by 90% to RMB840 billion. The provision of intraday funding is a major step in assisting banks in Hong Kong to manage the increase in payment flows. This would strengthen the infrastructure of the offshore RMB market in Hong Kong and reinforce the status of Hong Kong as the global hub for offshore RMB business", said Mr Norman Chan, Chief Executive of the HKMA.

Participating AIs are welcome to use the intraday repo to meet RMB payments flows. The HKMA will review the terms and conditions of the facility in light of actual operating experience.

# Hong Kong Monetary Authority

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