



## **HSBC welcomes milestone measures to support US-China commercial and investment links**

***\*\*China opens capital markets to US investors with  
world's second largest foreign institutional investor quota\*\****

***\*\*US and China agree on policy framework to  
further support RMB trading and clearing in the United States\*\****

**New York – June 8, 2015** – HSBC CEOs for the USA and Greater China applauded announcements related to the 8th annual Strategic and Economic Dialogue (S&ED) in Beijing and expressed optimism that the steps taken by the United States and China would help create the conditions for business growth, investment and economic activity in both countries.

The People's Bank of China will expand U.S. access to China's onshore financial markets through a US\$38 billion (RMB250 billion) Renminbi Qualified Foreign Institutional Investor (RQFII) quota, the largest in the world after Hong Kong.

Both countries also agreed on a policy framework for the private sector to further develop RMB trading and clearing in the United States. [The U.S. Department of Treasury](#) said this will expand the ability of American companies and investors to conduct business in RMB and enhance their competitiveness in capturing trade and investment opportunities in China.

In conjunction with the S&ED communique, the Working Group on U.S. RMB Trading and Clearing released a [Roadmap for Action](#) that includes commitments by various group members to explore options to further accelerate US growth in RMB payments, products and services, and proposes several policy actions designed to provide increased incentives to transact and invest using RMB. The Roadmap had been distributed to U.S. and Chinese authorities on June 2<sup>nd</sup>.

The Working Group, a collection of senior leaders in finance and U.S. industry, set out in January 2016 to identify, evaluate and recommend opportunities to develop and expand the trading, clearing and settlement of RMB in the United States.

HSBC USA is a member of the Working Group, and co-chair of the subcommittee on Regulatory Considerations.

**Pat Burke, President and CEO of HSBC USA**, said:

“HSBC welcomes the significant progress by the United States and China toward strengthening ties between two of the most important markets in the global economy. By clearing the way for US institutional investors to participate directly in China's capital markets and also accelerating the pace of liberalization of China's currency, the announcements at the S&ED strengthen the foundation for expanded commercial activity along the US-China trade and investment corridor.



"For 150 years, HSBC has served as a commercial bridge between the United States and China, and these developments will further enable us to help American and Chinese businesses and investors alike seek out growth opportunities across the Pacific," Burke added.

Commenting on the announcements, **Helen Wong, Chief Executive of Greater China for HSBC**, said:

"The agreement between the US and China opens up an exciting new frontier for progress between the world's two largest economies and provides another powerful signal that the RMB is emerging as a leading international trade and investment currency.

"Today's announcement can be a catalyst for growth in trade and capital flows, as well as RMB internationalization. The US is already a top five offshore RMB center by value of total payments, and creating RMB clearing banks will help encourage US firms to engage in more trade denominated in China's currency, while the allocation of RQFII quota means the universe of US institutional investors gains enhanced access to China's domestic capital markets. We believe a globalizing RMB can create opportunities for companies, investors and individuals in both the US and China and we are excited about the future of this critical financial and commercial relationship."

With RMB capabilities in over 50 markets, HSBC has been a champion of RMB internationalization since this historic process began and was the first international bank to settle RMB trade in six continents.

HSBC has recorded a number of other "firsts" in servicing institutional investors:

- 1992: The first and only onshore-based foreign bank to offer B-share custody
- 2003: One of the first foreign custodians to offer QFII custody
- 2005: The first foreign custodian bank to offer custody services in CIBM
- 2009: One of the first two foreign banks to offer QFII cash clearing services
- 2010: The first foreign bank to conduct bond trading and settlement in CIBM
- 2011: The first QFII custodian bank to clear the ETF creation/redemption
- 2011: The first foreign custodian bank to offer RQFII custody
- 2012: The only foreign bank introducing foreign insurance companies into CIBM
- 2013: One of the first QFII custodians to facilitate QFII trading into index futures
- 2013: First custodian bank supporting QFII into the CIBM
- 2013: First foreign bank in mainland China to offer futures margin depository services to its own QFII/RQFII clients
- 2014: First custodian bank servicing UK RQFII, France RQFII, Korea RQFII
- 2014: First foreign custodian servicing Singapore RQFII
- 2014: Custodian bank for the first London-Listed RQFII ETF
- 2014: Custodian bank for the first HK-Listed RQFII Bond ETF
- 2015: First custodian bank servicing Germany RQFII and Australia RQFII
- 2015: Custodian bank for the first RQFII money market ETF listed in London

**Media inquiries:**

Rob Sherman

+1 212-525-6901

[robert.a.sherman@us.hsbc.com](mailto:robert.a.sherman@us.hsbc.com)



Tala Jahangiri

+1 212-525-4311

[tala.jahangiri@us.hsbc.com](mailto:tala.jahangiri@us.hsbc.com)

**Notes to editors:**

**About HSBC Bank USA**

HSBC Bank USA, National Association (HSBC Bank USA, N.A.), with total assets of US \$183.1bn as of 31 December 2015 (US GAAP), serves 2.4 million customers through retail banking and wealth management, commercial banking, private banking, asset management, and global banking and markets segments. It operates more than 229 bank branches throughout the United States. There are over 145 in New York as well as branches in: California; Connecticut; Delaware; Washington, D.C.; Florida; Maryland; New Jersey; Pennsylvania; Virginia; and Washington. HSBC Bank USA, N.A. is the principal subsidiary of HSBC USA Inc., an indirect, wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC Bank USA, N.A. is a member of the FDIC.

**About HSBC Group**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,000 offices in 71 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,410bn at 31 December 2015, HSBC is one of the world's largest banking and financial services organizations.

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