

5 December 2018

HSBC Introduces Renminbi Accounts for US Corporate Clients

Empowering Corporates to Tap into Enhanced Growth Opportunities in China

NEW YORK – HSBC Bank USA has introduced Chinese Renminbi (RMB) accounts for U.S. corporate clients, offering the ability to transact RMB cross-border payments to and from mainland China and offshore RMB centers. As the first non-Chinese bank to offer RMB accounts, HSBC is further establishing itself as the leading bank for connecting global corporate clients with vast growth opportunities in China.

“It has become increasingly critical for global companies to have tools that streamline cross-border trade, efficiently manage cash and liquidity, reduce currency exposure risk and support long-term business goals in China,” said Debra Lodge, US Head of Corporate China Solutions for HSBC Commercial Banking. “With the introduction of US RMB accounts, customers can now benefit from HSBC’s deeply ingrained, on-the-ground insight into China’s evolving financial policies and regulatory conditions. This sharpened comprehension allows businesses to spend more time executing their business strategies and less time toiling over payments.”

RMB has gained significant traction in recent years and is now an established global trade, investment and reserve currency following significant financial reforms in China. Given China’s status as the world’s largest import and export nation, RMB is now the eighth most used currency for international payments.¹ Its status as a trade and investment currency is widely expected to grow amid further liberalization of China’s economy. These driving stimuli include the increased use of RMB in trade settlements, growing inbound and outbound business investments, the continued buildout of China’s Belt and Road Initiative, and heightened demand for global brands sparked by the expansion of the nation’s middle class.

“Globalization of the world economy is quickly accelerating, in line with the rapid growth and sophistication of international markets. China in particular is increasingly important as more corporates seek opportunities to magnify revenue and efficiencies by expanding their operations and supply chains overseas,” said Drew Douglas, Head of Global Liquidity and Cash Management, HSBC North America. “That’s why we’ve continued enhance our suite of cash management products – with an emphasis on digitization and sustainability – to make liquidity more accessible to clients, regardless of where they are headquartered.”

Among the applications of RMB accounts in the US are:

- **US Exporters:** As global exports to China grow, domestic clients are increasingly reluctant to take on exposure to the costs and risks of making payments in US dollars. An exporter with a RMB account can receive RMB, making it a more attractive trading partner for Chinese buyers. With assistance from HSBC in managing risk and reducing exposure to FX bid-offer spreads, the exporter’s RMB account can potentially lower overall costs.
- **US Importers:** Historically, US payments to Chinese sellers could require a separate FX trade for each transaction invoice. A client with an RMB account can buy the Chinese currency in bulk, saving FX trading costs and giving them the ability to make payments via HSBC net. This also gives them more control over their payments.

- **US Companies with China Subsidiaries:** China subsidiaries of US companies bear the FX risk and fees associated with converting US dollar payments to and from the parent. A RMB account provides a natural hedge when a company has inbound and outbound RMB cash flows. Moreover, it gives receivers of RMB transparency over FX conversions.
- **Cash repatriation:** RMB dividends and cross-border loans require an RMB account belonging to the recipient. RMB accounts within HSBC allow clients to have all of their business accounts to be housed within HSBC, allowing seamless handling of repatriation proceeds and peace of mind that FX trades are transacted within HSBC's global network.
- **Inbound China Clients:** RMB accounts allow HSBC's inbound China clients the ability to receive capital injections and intercompany payables in RMB and US dollars, giving Chinese home offices flexibility in how they manage payments to and from their US subsidiary offices.

Functionally, these accounts are structured as RMB HUB Demand Deposit checking accounts (non-interest bearing and non-analyzed) to transact RMB cross-border payments to and from mainland China or other offshore RMB centers such as Hong Kong and Singapore. Accounts are held as CNH (offshore RMB). Clients have the ability to make and receive RMB wires (currency code CNY) and view their account balances through the digital convenience offered by HSBC net.

ends / more

Media enquiries to:

US

Steven Vames

+1 212 525 7646

steven.vames@us.hsbc.com

Annie Richardson

+1 212 525 3827

annie.richardson@us.hsbc.com

Greater China

Lauren Fraiser

+ 852 3941 7023

lauren.v.fraser@hsbc.com.hk

Note to editors:

HSBC Bank USA, National Association (HSBC Bank USA, N.A.) serves customers through retail banking and wealth management, commercial banking, private banking, and global banking and markets segments. It operates bank branches in: California; Connecticut; Delaware; Washington, D.C.; Florida; Maryland; New Jersey; New York; Pennsylvania; Virginia; and Washington. HSBC Bank USA, N.A. is the principal subsidiary of HSBC USA Inc., a wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC Bank USA, N.A. is a Member of the FDIC. Investment and brokerage services are provided through HSBC Securities (USA) Inc., (Member NYSE/FINRA/ SIPC) and insurance products are provided through HSBC Insurance Agency (USA) Inc.

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,522bn at 31 December 2017, HSBC is one of the world's largest banking and financial services organisations.

ends/all

ⁱ [Source: https://www.swift.com/our-solutions/compliance-and-shared-services/business-intelligence/renminbi/rmb-tracker/document-centre](https://www.swift.com/our-solutions/compliance-and-shared-services/business-intelligence/renminbi/rmb-tracker/document-centre)