

# Establishment of direct linkage between Central Moneymarkets Unit of HKMA and Macao Central Securities Depository and Clearing Limited of AMCM

The following is issued on behalf of the Hong Kong Monetary Authority:

To promote the development of bond markets in Hong Kong and Macao, the Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Macao (AMCM) today (September 16) jointly announced the establishment of a direct linkage between the Central Moneymarkets Unit (CMU) of the HKMA and the central securities depository (CSD) operated by Macao Central Securities Depository and Clearing Limited (MCSD), a wholly-owned subsidiary of the AMCM.

Under the direct linkage arrangement, investors in Hong Kong, through their accounts at the CMU, will be able to clear, settle and hold bonds lodged with the CSD in Macao; while investors in Macao, through their accounts in the CSD in Macao, will also be able to clear, settle and hold bonds lodged with the CMU. This arrangement will mark a new milestone in the financial co-operation between Hong Kong and Macao, signifying far-reaching implications for the synergistic development of the core cities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

The Chief Executive of the HKMA, Mr Eddie Yue, said, "The HKMA, in recent years, has gradually established connectivity with various neighbouring financial markets to strengthen regional co-operation, and to bring in more opportunities for all sorts of financial services, in particular the Renminbi business. This also provides domestic and overseas investors with a greater variety of investment products, so as to further strengthen Hong Kong's competitiveness as an international financial centre. On this basis, fostering connectivity between the bond market infrastructures in Hong Kong and Macao is a major manifestation of the synergistic development of the financial markets in the GBA, and will develop CMU into an international CSD in Asia, leveraging its role as a super-connector."

The Chairman of the AMCM, Mr Benjamin Chan, said, "The Macao Special Administrative Region (SAR) Government has been promoting appropriate economic diversification and fostering diversity within the financial ecosystem, with bond market serving as the crucial cornerstone. This could provide another financing channel to support major national strategic deployments, including the development of the GBA. Besides, based on the historical ties between Macao and Portuguese-speaking countries, connecting with the bond market infrastructure in Hong Kong will enable Macao to further

leverage its role as a gateway between China and Portuguese-speaking countries. It will also strengthen Macao's function as the financial services platform serving China and Portuguese-speaking countries, and achieve mutual market access among the financial markets and financial market infrastructures in the GBA."

The official launch date and detailed arrangements for the direct linkage will be announced in due course.

#### About HKMA

The HKMA is Hong Kong's central banking institution. The HKMA's main functions are: (i) maintaining currency stability within the framework of the Linked Exchange Rate System; (ii) promoting the stability and integrity of the financial system, including the banking system; (iii) helping to maintain Hong Kong's status as an international financial centre, including the maintenance and development of Hong Kong's financial infrastructure; and (iv) managing the Exchange Fund.

The CMU, owned and operated by the HKMA, provides secure and efficient clearing, settlement and custodian services for Hong Kong's multi-currency debt securities and those in international markets. Over the years, the CMU has continuously established linkages with regional and international central securities depositories to expand its issuer and investor reach globally. With the launch of Bond Connect scheme in 2017, the CMU has become a pivotal financial market infrastructure serving both onshore and offshore market participants.

â€‹

Please visit [www.cmu.org.hk](http://www.cmu.org.hk) for more information about the CMU.

#### About AMCM

The AMCM is Macao's central banking and integrated financial regulatory institution. Its main functions include: (i) assisting the Chief Executive of Macao SAR in formulating and implementing monetary, financial, exchange rate and insurance policies; (ii) overseeing the monetary, financial, foreign exchange and insurance markets in accordance with relevant statutory regulations to ensure their smooth operations, as well as supervising and regulating the entities operating in the respective markets; (iii) maintaining the internal stability and external solvency of the domestic currency to ensure its full convertibility; (iv) managing foreign exchange reserves and the fiscal reserve; and (v) maintaining the stability of the financial system. With the support of the Central Government, the AMCM constructed the CSD and set up the MCS D as its wholly owned subsidiary in December 2021. The MCS D is responsible for the operation of the CSD. Currently, the MCS D mainly provides securities registration, clearing, settlement, depository and other related services. The MCS D aims to provide financial-market infrastructure services to support the efficient and safe operations of the Macao bond market, which is expected to become an investment and financing platform that is widely recognised by local and international issuers, investors and other participants.

Please visit [www.mcscd.com.mo](http://www.mcscd.com.mo) for more information about the MCSD.