

HKMA designates market makers for Southbound Trading under Bond Connect

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

The Hong Kong Monetary Authority (HKMA) announced today (September 17) that it has designated the following 13 financial institutions as market makers for Southbound Trading under Bond Connect (Southbound Trading) (in alphabetical order).

Agricultural Bank of China Limited, Hong Kong Branch
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
BNP Paribas, Hong Kong Branch
China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
Citigroup Global Markets Asia Limited
Credit Agricole Corporate and Investment Bank
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
J.P. Morgan Securities (Asia Pacific) Limited
Mizuho Securities Asia Limited
Standard Chartered Bank (Hong Kong) Limited

Having regard to the arrangement for Northbound Trading under Bond Connect, the designation of active financial institutions in the Hong Kong bond market as market makers will be conducive to the smooth operation and orderly trading of Southbound Trading.

The aforementioned 13 designated market makers were selected following an HKMA internal evaluation process. The financial institutions invited to apply included recognised arrangers under the HKMA's Pilot Bond Grant Scheme and the eligible market makers for the Exchange Fund Bills and Notes Programme. The selection of Southbound Trading designated market makers was based on several criteria, including certain basic conditions such as licenses for carrying on relevant activities, adequate internal control systems, and regulatory compliance; and other factors including the financial institutions' activities in the Hong Kong bond market, their business presence in Hong Kong, counterparty network with Mainland financial institutions, etc.

The HKMA will review the list of Southbound Trading designated market makers and evaluate the need for enhancement and expansion as and when appropriate.