

[HKMA welcomes further enhancement of cross-border fund flow management by PBoC](#)

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

The Hong Kong Monetary Authority (HKMA) welcomes the announcement today (May 18) by the People's Bank of China (PBoC) of a series of measures to further enhance cross-border fund flow management.

The Chief Executive of the HKMA, Mr Norman Chan, said, "As RMB internationalisation continues to progress and mutual access of capital markets between the two places further deepens, market demand for offshore RMB liquidity will increase. The HKMA has all along maintained close dialogue with the PBoC to study measures to facilitate cross-border RMB fund flows. We believe that the new measures will help ensure the offshore market to continue to function orderly and efficiently, and support Hong Kong's development as the global offshore RMB business hub."

The measures announced by the PBoC cover the existing policy frameworks under which offshore RMB business clearing banks and participating banks can tap RMB liquidity from the onshore market to support offshore RMB business development, as well as duly implementing PBoC's bilateral currency swap agreements; adjusting the required reserve ratio of the RMB deposits placed by Hong Kong's RMB business clearing bank in the settlement account in PBoC's Shenzhen Sub-branch to zero percent; and further enhancing the currency conversion mechanism for the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect to facilitate overseas investors to choose to use RMB or foreign currencies for investments.