

SFST's speech at Bank of New York Mellon's 240th anniversary (English only)

Following is the speech by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the Bank of New York Mellon's 240th anniversary today (June 25):

Hani (Head of International of Bank of New York (BNY) Mellon, Mr Hani Kablawi), Fangfang (Regional Head of APAC of BNY Mellon, Ms Fangfang Chen), Jayee (Global Head of Enterprise Execution and Chief Corporate Affairs Officer of BNY Mellon, Ms Jayee Koffey), ladies and gentlemen,

Good morning. It is my great pleasure to be here today to celebrate the 240th anniversary of the Bank of New York Mellon. This is truly a remarkable milestone, and on behalf of the Hong Kong Government, I extend our warmest congratulations to BNY Mellon.

For 240 years, BNY Mellon has been at the forefront of the financial industry, continuously evolving and adapting to meet the changing needs of the global economy. Your impressive business performance speaks volumes about your success and impact: more than US\$47 trillion in assets under custody and/or administration, and US\$2.0 trillion in assets under management. It's astounding to think that BNY Mellon touches nearly 20 per cent of the world's investable assets.

Your presence in Hong Kong, which dates back to 1958 with the establishment of a representative office, and later the Hong Kong Branch 40 years ago, has significantly contributed to our city's status as an international financial centre. With around 200 employees here, BNY Mellon has been instrumental in providing a wide range of financial services to organisations in Hong Kong and beyond.

We are particularly grateful for your innovative contributions to our financial ecosystem. You were the first tri-party agent to provide collateral services for securities settled through the Stock Connect scheme. Your launch of the US Withholding Tax Administration Service in collaboration with the HKMA (Hong Kong Monetary Authority)'s Central Moneymarkets Unit is yet another testament to your commitment to innovation and market development in Hong Kong.

As we celebrate BNY Mellon's achievements, I would like to take this opportunity to highlight the significant progress we have made in developing mutual capital market access between Hong Kong and the Mainland.

Under the "one country, two systems" principle, we have been working tirelessly to deepen mutual access between our capital markets. The launch of

initiatives such as Bond Connect, Swap Connect, and the inclusion of exchange-traded funds (ETFs) under Stock Connect has expanded opportunities for both Mainland and international investors.

The expansion of eligible stocks under Stock Connect in March 2023 has further enriched investment choices and will attract more quality international enterprises to list in Hong Kong. The success of these initiatives is evident in the impressive trading figures we've seen. This year, up to April, the average daily trade values for Northbound and Southbound Trading under Stock Connect have reached RMB134 billion and HK\$32 billion respectively.

Looking ahead, we are excited about the series of measures announced by the China Securities Regulatory Commission in April this year to further expand mutual access. These include expanding the scope of eligible ETFs, including REITs (real estate investment trusts) under Stock Connect, and supporting the inclusion of RMB stock trading counter under Southbound trading.

Furthermore, the recent enhancements to Swap Connect announced in May 2024 will expand product choices, enhance mechanism efficiency, and reduce participation costs for both domestic and foreign investors.

As we move forward, the Hong Kong Government remains very committed to continuously exploring and implementing expansion and enhancement arrangements for our mutual access initiatives. We aim to introduce block trading and the issuance of Mainland government bond futures in Hong Kong, further cementing our city's position as a comprehensive offshore RMB hub and risk management centre.

To conclude, I once again congratulate BNY Mellon on this momentous anniversary. Your continued presence and innovation in Hong Kong play a critical and crucial role in our financial landscape. We look forward to many more years of collaboration and success, and I looking forward to seeing more achievements to come in the many decades here in Hong Kong.

Thank you.