

Press release

Renminbi sovereign bond and Hong Kong bond market development seminar

Thursday, June 21, 2012

The Secretary for Financial Services and the Treasury, Professor K C Chan, attended and spoke at a seminar today (June 21) on "The Issuance of PRC Renminbi Sovereign Bond and the development of Hong Kong Bond Market". Other speakers of the seminar included the Director-General of the Ministry of Finance of the Central Government, Ms Sun Xiaoxia; the Deputy Chief Executive of the Hong Kong Monetary Authority (HKMA), Mr Peter Pang; the Executive Director of the Securities and Futures Commission (SFC), Mr Brian Ho; and the Chief Executive of the Hong Kong Exchanges and Clearing Limited (HKEx), Mr Charles Li.

Speaking at the event, Professor Chan remarked, "The issuance of RMB sovereign bonds by the Ministry of Finance in Hong Kong for the fourth time demonstrates clearly the Central Government's support for Hong Kong's development as the offshore RMB business centre. The inaugural offer of RMB sovereign bonds of 15-year tenor in Hong Kong for institutional investors helps set the benchmark yield for long-term RMB bonds in Hong Kong. It is also the first time for arranging special placement of the RMB sovereign bonds to overseas Central Banks, which serves as a showcase for issuing bonds to overseas investors in the future."

Professor Chan also considered that the listing of RMB sovereign bonds would be conducive to developing the bond market in Hong Kong and encourage listing of more bonds in Hong Kong.

Mr Pang said, "The HKMA will continue to provide and upgrade the financial infrastructure to support the future development of the offshore RMB bond market. The tendering platform of our Central Moneymarkets Unit (CMU) has proved to be a highly efficient and cost-effective mechanism for the Ministry of Finance to issue RMB sovereign bonds to institutional investors. The new CMU Central Bank Placement Coordinating Window (note) is an innovative issuance mechanism that will address the increasing demand for RMB sovereign bonds by central banks and monetary authorities. This will further reinforce Hong Kong's role as the global hub for offshore Renminbi businesses."

The seminar was jointly organised by the Ministry of Finance of the Central Government, the Financial Services and the Treasury Bureau and the Hong Kong Monetary Authority. It was also co-organised by the Bank of Communications Co., Ltd. Hong Kong Branch.

Note: The HKMA - CMU Central Bank Placement Coordinating Window is a CMU facility through which the subscription interests through placement from central banks, central monetary authorities and sovereign funds will be coordinated and conveyed to the issuer. Bonds issued through this Window will bear the same coupon rate as the successful tenders of the same tenor.

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