Eddie Yue: Response to media regarding the new measures announced by People Bank of China's Governor Pan Gongsheng

Response by Mr Eddie Yue, Chief Executive of the Hong Kong Monetary Authority, to media regarding the new measures announced by People Bank of China's Governor Pan Gongsheng at the Hong Kong FIC & Bond Connect Summit, jointly hosted by the Hong Kong Monetary Authority, the Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited and Bond Connect Company Limited, Hong Kong, 7 July 2026.

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Presentation accompanying the speech

Dear media friends,

Just now at the Hong Kong FIC & Bond Connect Summit, the People's Bank of China (PBoC) Governor Mr Pan Gongsheng announced a series of measures to further strengthen financial cooperation between Hong Kong and the Chinese Mainland. From initial ideas, policy design and formulation, to implementation, the HKMA has been in close collaboration with the PBoC, while maintaining communication with the relevant financial regulatory authorities in the Chinese Mainland as well as the Securities and Futures Commission (SFC) on specific measures. I am very pleased to see the announcement of these 11 measures today. I would like to take this opportunity to express my gratitude to Governor Pan and our counterparts from the PBoC and the SFC for their strong support.

Among the 11 measures announced today, six of them aim to promote the development of Hong Kong's fixed income and currency (FIC) markets, as well as to strengthen the financial market connectivity between Hong Kong and the Chinese Mainland, while the other five are new measures supporting the development of Hong Kong's offshore renminbi (RMB) market. The formulation of the policy arrangements takes into account recommendations and feedback from the market and investors, and are expected to provide greater policy headroom and operational facilitation for the industry, while also bringing new momentum and new opportunities for the development of Hong Kong's FIC markets and the offshore RMB market.

Next are the enhancement and upgrade measures for the Bond Connect.

The first measure is further enhancement and expansion of Southbound Bond Connect, including:

- Increasing the annual investment quota for Southbound Bond Connect from RMB500 billion to RMB800 billion;
- Developing bond repurchase (repo) business using Southbound Bond Connect bonds as collateral;
- Expanding the product scope to cover products with HKD bonds and RMB bonds as underlying assets;

- Connecting to the Macao bond market through the financial infrastructure linkage between Hong Kong and Macao; and
- The HKMA will also step up the management of Southbound Bond Connect market makers starting from this year;

The expansion will help provide Southbound Bond Connect investors with greater investment flexibility and more diversified investment options, address their demand for overseas asset allocation, and further facilitate more investments through Southbound Bond Connect. Meanwhile, it will also bring new momentum to the development of Hong Kong's financial markets by attracting more local and overseas issuers as well as investors to participate in Hong Kong's bond market, driving the development of diversified products, enriching the offering of offshore RMB products, thereby reinforcing Hong Kong's status as an international financial centre and offshore RMB business hub.

The second measure is the extension of the settlement time for Northbound Bond Connect. This operational enhancement will improve settlement efficiency through establishing a direct system linkage between CMU and China Central Depository & Clearing Co., Ltd., thereby facilitating trading and settlement for investors.

Apart from the above-mentioned enhancements to the Connect schemes, we have been closely collaborating with PBoC colleagues, to explore measures from various dimensions to promote the development of Hong Kong's offshore RMB business and RMB internationalisation. Today we announced five relevant measures to further enhance Hong Kong's offshore RMB liquidity, strengthen regional cooperation, promote the use of RMB in trade and direct investment, thereby better supporting the development of real economy, reinforcing and enhancing Hong Kong's status as an offshore RMB business hub. The specific measures include:

The first is the enhancement and expansion of the HKMA's RMB Business Facility. Since the launch of the RMB Business Facility, the banking industry has responded enthusiastically, with usage continuing to grow. The arrangement not only meets the RMB financing needs of Hong Kong enterprises, but has also successfully established channels to extend offshore RMB funds to enterprises in ASEAN, the Middle East, and Europe within just a few months. With strong support from the PBoC, the aggregate quota for the RMB business funding arrangement will increase from the current RMB200 billion to RMB500 billion starting from 10 July 2026. In tandem, the arrangements will introduce new tenors of 9-month, 2-year, and 3-year, better satisfying corporate clients' funding demands in areas such as fund allocation and direct investment, and supporting the wider use of RMB in real economic activities.

The second and third measures are medium-term measures. The HKMA will explore to introduce a tendering mechanism of a 7-day offshore RMB liquidity to add a new channel to support banks' short-term RMB funding needs. Furthermore, the HKMA will also explore the issuance of offshore RMB short-term debt instruments, supporting the building of the offshore RMB yield curve and providing the market with high-quality investment and liquidity management products. The relevant details of these two initiatives will be announced in due course.

The fourth and fifth initiatives are about the use of the RMB in real economic activities. The HKMA recently signed a Memorandum of Understanding with Bank Indonesia (BI) and the PBoC to establish a cooperation framework aimed at promoting bilateral transactions in Indonesian Rupiah (IDR) and offshore Chinese Renminbi (CNH) between Indonesia and Hong Kong. To help facilitate enterprises using RMB in cross-border business, the HKMA has recently shared a set of good practices with the banking industry, with the aim of promoting RMB adoption and encouraging the industry to actively explore and leverage Hong Kong's strengths in RMB business.

In summary, the above 11 measures will further consolidate and enhance Hong Kong's status as an international financial centre, deepen financial collaboration and connectivity between Hong Kong and the Mainland, and strengthen Hong Kong's role as a fixed income and offshore RMB business hub.

Finally, echoing Governor Pan's announcement today that the HKMA has participated in the PBoC's RMB repo facility (RMB Repo) for central banks (monetary authorities), international financial organisations and sovereign wealth funds. The HKMA is pleased to be the first monetary authority to participate, and has already conducted the first transaction with the PBoC. We believe this new arrangement will facilitate RMB liquidity management for monetary authorities, further increase demand for allocating in RMB fixed-income assets, and play a positive role in promoting RMB internationalisation.

We will continue to work closely with the PBoC to ensure that all measures are implemented in a smooth manner. We will also pay attention to feedback from the industry and the general public, further enhancing and expanding the measures to contribute to market development and people's welfare.

Thank you!