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## **HSBC facilitates market-first securities lending transactions by an offshore investor in mainland China**

HSBC has successfully facilitated market-first securities lending transactions conducted by China Asset Management (Hong Kong) Limited (China AMC) in mainland China today. The two transactions completed on the Shanghai Stock Exchange and Shenzhen Stock Exchange are among the first batch of securities lending transactions via the Qualified Foreign Institutional Investors (QFII) scheme. HSBC is the custodian, providing services including investment scope update filing, assets custody and transaction settlement, for these transactions.

Under the new QFII/RMB Qualified Foreign Institutional Investors (RQFII) rules effective 1 November 2020, offshore investors have been given expanded investment scope which includes securities lending. The new rules have also combined into one the QFII and RQFII, lowering entry requirements as well as simplifying procedures. <sup>i</sup>

“The new QFII/RQFII rules mark a new milestone, as China seeks higher-level opening-up of its domestic capital market to foreign investors. Offshore investors can have easier market access and broader scope when investing via QFII/RQFII. Securities lending would help global investors realise flexible strategy deployment as they tap deeper into the China’s capital market. This latest expanded investment scope and other relaxation measures will definitely help boost the attractiveness of QFII/RQFII and draw more foreign capital into China,” said Brian Godins, Head of Securities Services, Asia Pacific at HSBC.

“We are delighted to facilitate yet another landmark transaction in China for our client. As a leading QFII/RQFII custodian bank, HSBC is committed to facilitating more overseas investment into China, and playing a more active role in the process of deeper integration of Chinese capital markets into the global financial system,” Godins added.

HSBC remains at the forefront of China’s capital markets opening and has been a leading international bank in servicing overseas investors. It ranks top in terms of the number of overseas institutional investors it is serving and assets under custody of overseas institutional investors in China Interbank Bond Market (“CIBM”) among all settlement agent banks. Fully leveraging the Group’s global network, HSBC is also the leading custody services provider to QFII and RQFII investors from 15 of the 20 pilot markets.

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**The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,956bn at 30 September 2020, HSBC is one of the world's largest banking and financial services organisations.

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<sup>i</sup> [http://www.csrc.gov.cn/pub/csrc\\_en/newsfacts/release/202009/t20200925\\_383652.html](http://www.csrc.gov.cn/pub/csrc_en/newsfacts/release/202009/t20200925_383652.html)