



SFC welcomes Central Government support for the enhancement of Hong Kong's IFC status

The Hong Kong Securities and Futures Commission (**SFC**) on 2 September 2022 welcomed¹ the support of the Chinese Central Government and the three initiatives announced by the China Securities Regulatory Commission (**CSRC**) to broaden Stock Connect and further enhance Hong Kong's position as an offshore Renminbi (**RMB**) centre and a risk management centre.

Mr Fang Xinghai, Vice-Chairman of the CSRC, announced the following three initiatives during the financial forum of the China International Fair for Trade in Services on 2 September 2022²:

(i) Broadening the scope of Stock Connect

Stock Connect's scope will be broadened to include foreign companies primary-listed on the Hong Kong Stock Exchange³ so that Mainland investors can buy shares of foreign companies listed on the Hong Kong Stock Exchange via southbound trading, while further companies listed on the Shanghai and Shenzhen stock exchanges will be available for trading by overseas investors via northbound trading.

(ii) Introducing China treasury bond futures in Hong Kong

The CSRC will support Hong Kong's introduction of China treasury bond futures which will accelerate the opening up of China's treasury bond futures market to overseas investors.

(iii) Launching RMB counters in Hong Kong

The CSRC will also support the inclusion of RMB counters in Stock Connect for southbound trading.

Ms Julia Leung, the SFC's Acting CEO, commented that (i) the inclusion of foreign companies in southbound trading through Stock Connect will augment the Hong Kong Stock Exchange's attractiveness; (ii) the CSRC's support for the introduction of China treasury bond futures in Hong Kong will help overseas investors better manage their risk exposure; and (iii) the CSRC's support for Hong Kong to develop an offshore treasury bond futures and RMB dual counter trading will further strengthen Hong Kong's roles as a risk management centre and an offshore RMB centre.

The SFC further stated that it would be working closely with the CSRC and the HKEX⁴ on these three initiatives.

[1] <https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/corporate-news/doc?refNo=22PR67>

[2] <http://www.csrc.gov.cn/csrc/c100028/c5603389/content.shtml>

[3] Operated by the Stock Exchange of Hong Kong Limited

[4] Refers to Hong Kong Exchanges and Clearing Limited

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