

## Offshore CNY (Cash & Trade Subgroup) meeting minute

Date & Time: 24th Apr 2014 (Thursday) – 10:00 to 12:00

Venue: SWIFT HK office

### Participating Institutions:

China CITIC Bank International Ltd
BOC HK, RMB Clearing Center
CITI, Hongkong
CITI, Singapore
State Street, Hongkong
SCB, Hongkong
Societe General, Hongkong
Hang Seng Bank
Barclays Bank Plc
HSBC, Hongkong
Wells Fargo, Bank
JPMorgan, Hongkong
ANZ, Hongkong
BAML, Hongkong
BNP, Hongkong
BNP, Singapore
Bank of Tokyo-Mitsubishi UFJ, Hongkong
Deutsche Bank, Hongkong
HKICL
DBS, Hongkong
DBS, Singapore

### Meeting summary:

#### 1. RMB development in 2013, updated by Eric Yang, SWIFT

- The acceptance of RMB grew fast, with 10% increase in terms of countries sending and receiving RMB payment and 20% increase in terms of financial institutions
- Top 10 countries that have seen big and fast RMB adoption in their payment business are Hongkong, UK, Singapore, Taiwan, France, US, Australia, Luxembourg, Germany, Macau.
- Hongkong as an RMB Payment centre:  
Payment Message(MT103&MT202 excl cov) average monthly growth rate in 2013: 3%
- SG as an RMB Trade centre:  
Trade Finance message(MT400/410/700/707) average monthly growth rate in 2013: 6%
- Lux as an RMB Funds processing centre:  
Securities message(MT5xx) average monthly growth rate in 2013: 4%
- London as an RMB FX centre:  
FX trade confirmation message(MT300/320) average monthly growth rate in 2013: 0.4%

#### 2. CCC e-table initiative, updated by Kineth Yuen, SWIFT

- First version of CCC e-table is ready for publication
- CCC maintenance group was established and first consultation had been sent to all members - Established formal governance for CCC maintenance
- Maintenance group has members from 4 main Chinese banks, TW FISC, CNY offshore clearing banks(HK, TW, SG), SWIFT, and OSCNYWG
- Draft of the best practice of CCC table usage for FIN messages done
- **Next steps:**
  - 1) Solicit one more representative from HK community to sit in the CCC maintenance committee

- 2) Publish the following document on swift.com before end of Q2
  - CCC e-table
  - CCC Governance process paper
  - CCC maintenance committee members nominated for CN, HK, TW and SG
  - Supplement documents with English translation, when necessary

**3. Discussion topic 1: Payment purpose codeword required by CNAPS 2, led by Mr. Frankie Au (from Standard Chartered Bank), acting chairperson of Offshore CNY Cash&Trade group**

- Participants all agreed on the significance of alignment on CNAPS2 payment purpose codeword
- So far, only the HK RMB Clearing Bank has issued the set of codeword. Timeline for compliance is 19 May 2014. It seems SG/TW Clearing Bank and the agent banks in China have not yet started to communicate to the market about their codeword requirements.
- Given HK RMB Clearing Bank has already communicated their Payment Purpose code word requirements to all the Participating Banks in HK as well as their other Overseas Participating Banks in other countries, and these participating banks will have aligned their system for this set of code word requirement by 19 May 2014, it would be difficult for them to adopt a different code word standard.
- From the participating banks' perspective, given it is likely that they have nostro established with HK RMB Clearing Bank and other agent/offshore RMB clearing banks, having a common standard of payment purpose codeword set for SWIFT message is important, otherwise there could be manual intervention and thus inefficiency for customizing the codeword according to the receiving nostro banks each time.
- Next steps:
  1. Circulate the revised OSCNY guidelines with current set of payment purpose codeword table to OSCNYWG (across offshore centres) and Global PMPG (including CN) seeking any specific changes/comments in the week of 12<sup>nd</sup>
  2. Offshore&onshore Industry feedback collection closes at 23th May
  3. Share the final OSCNY guideline document on SWIFT's website in early June

**4. Discussion topic 2: Impact of SHFTZ/CN liberalization to offshore RMB business, led by Mr. Frankie Au (from Standard Chartered Bank), acting chairperson of Offshore CNY Cash&Trade group**

- Not much discussion on this topic due to time constraint.
- Next steps:
  - 1) Soliciting feedback on potential market impacts that need attention from OSCNYWG

**5. AOB**

- Quarterly meeting was suggested as the meeting frequency of HK OSCNYWG
- SWIFT was suggested to expand this offshore RMB working group meeting to SG (and perhaps TW as well).
- Will notify OSCNY and other market groups for the new place to publish Offshore CNY guidelines because swift.com was decommissioned.