

# News Release

6 August 2015

## **HSBC BECOMES FIRST CUSTODIAN BANK IN CHINA TO SERVICE A CANADIAN RQFII**

*- CI Investments becomes first investor from the Americas to access China through RQFII programme -*

HSBC today announced that it has become the first custodian bank in China to service a Renminbi Qualified Foreign Institutional Investor (RQFII) based in Canada. HSBC is providing local custodian services to CI Investments, which has secured regulatory approval to become the first Canadian investor in China under the RQFII programme, which is designed to open up China's onshore securities markets to overseas investors using renminbi (RMB).

In November 2014, China announced it had extended the RQFII pilot programme to Canada with a quota of RMB50 billion (USD8.6 billion) being allocated. As CI Investments' onshore custodian bank in China, HSBC facilitated its application for the RQFII Canadian license.

This significant development marks the first institutional investor in the Americas region to access China through the RQFII programme. HSBC is already working with clients in Canada to connect them with China through the Qualified Foreign Institutional Investor (QFII) programme, which enables investment through foreign currencies converted to RMB. With close to 78% market share in terms of approved quota\*, HSBC is the largest and most experienced custodian servicing Canadian QFIIs and the only custodian servicing nine RQFII markets globally.

**Sophia Chung**, Head of Securities Services, China, HSBC, said: "Canada is a key RMB hub and we are delighted to now be working with CI Investments as the first RMB Qualified Institutional Investor in this region. This marks a significant step for RMB internationalisation in the Americas and the progressive role that HSBC's plays in this."

**Eric Bushell**, Senior Vice-President, CI Investments, said: "In China, we see long-term economic growth and attractive investment opportunities for our investors. The experience, capabilities and support of the HSBC team have been key to connecting us with the evolving opportunities that China presents."

As of 31 July 2015, HSBC was the custodian bank for USD26.6 billion of investment quota for QFIIs, which was equivalent to 34.7 per cent of the total amount approved, the largest market share among all banks. It was also the custodian bank for RMB184 billion of investment quota for RQFIIs, which was equivalent to 46 per cent of the total amount approved. \*

HSBC offers foreign institutional investors a wide range of services in China, including custody services, clearing and settlement of securities trading, interbank bond settlement and clearing, agency services and futures margin depository services.

## **The Hongkong and Shanghai Banking Corporation Limited**

Registered Office and Head Office:  
1 Queen's Road Central, Hong Kong  
Web: [www.hsbc.com.hk](http://www.hsbc.com.hk)

*Incorporated in the Hong Kong SAR with limited liability.*



HSBC has recorded a number of "firsts" in servicing institutional investors in addition to this latest development:

- 1992: The first and only onshore-based foreign bank to offer B-share custody
- 2003: One of the first foreign custodians to offer QFII custody
- 2005: The first foreign custodian bank to offer custody services in CIBM
- 2009: One of the first two foreign banks to offer QFII cash clearing services
- 2010: The first foreign bank to conduct bond trading and settlement in CIBM
- 2011: The first QFII custodian bank to clear the ETF creation/redemption
- 2011: The first foreign custodian bank to offer RQFII custody
- 2012: The only foreign bank introducing foreign insurance companies into CIBM
- 2013: One of the first QFII custodians to facilitate QFII trading into index futures
- 2013: First custodian bank supporting QFII into the CIBM
- 2013: First foreign bank in mainland China to offer futures margin depository services to its own QFII/RQFII clients.
- 2014: First custodian bank servicing UK RQFII, France RQFII, Korea RQFII
- 2014: First foreign custodian servicing Singapore RQFII
- 2014: Custodian bank for the first London-Listed RQFII ETF
- 2014: Custodian bank for the first HK-Listed RQFII Bond ETF
- 2015: First custodian bank servicing Germany RQFII, Australia RQFII and Swiss RQFII
- 2015: Custodian bank for the first RQFII money market ETF listed in London

HSBC has one of the largest foreign bank networks in China and was the first bank to complete a renminbi trade settlement across all six continents. It provides a growing range of renminbi capabilities, available onshore and in more than 50 territories worldwide.

\* Source: SAFE, July 2015

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#### **Note to editors:**

#### **The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 48 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,100 offices in 72 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,572bn at 30 June 2015, HSBC is one of the world's largest banking and financial services organisations.

#### **CI Investments**

CI Investments is one of Canada's largest investment management companies. It offers a wide range of investment products and services, and is on the web at [www.ci.com](http://www.ci.com). CI is a subsidiary of CI Financial Corp. (TSX: CIX), an independent, Canadian-owned wealth management firm with C\$140 billion in assets as of June 30, 2015.

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