

# News Release

9 November 2015

## **HSBC MANDATED AS CUSTODIAN TO FIRST LUXEMBOURG RQFII** *ICBC Europe becomes one of the first RMB Qualified Foreign Institutional Investors in Luxembourg*

HSBC today announced that it has been mandated as custodian bank in China for Industrial and Commercial Bank of China (Europe) S.A. (ICBC Europe), which recently secured regulatory approval as a Luxembourg-based Renminbi (RMB) Qualified Foreign Institutional Investor (RQFII).

The RQFII programme, which was extended to Luxembourg in April 2015 with a quota of RMB50 billion (USD8.0 billion), is designed to open up China's domestic capital markets to overseas investors using RMB. Luxembourg marks the fifth RQFII market in Europe and HSBC is supporting the first investors from each of these markets. ICBC Europe's RQFII license also continues HSBC's 100% track record of successful quota applications on behalf of its clients.

**Sophia Chung**, Head of Securities Services, China, HSBC, said: "This development demonstrates the important role that Luxembourg plays in the internationalisation of the RMB as a hub for cross-border RMB business in the Eurozone. With the uptake of the RQFII programme, we expect institutional investors across Europe to use Luxembourg as a gateway to China and we also expect more Chinese financial institutions to establish a fund domiciled in Luxembourg. We are delighted to be working with ICBC Europe on this initiative."

ICBC is one of six Chinese banks with a presence in Luxembourg, which is the largest fund centre in the world after the US. ICBC was also appointed as the RMB clearing bank in Luxembourg in 2014.

**Bing Li**, Head of Asset Management Department at ICBC Europe, commented: "This is a key milestone, which further strengthens our position in Europe. Given our established presence in Luxembourg, it was important for us to be among the first RQFIIs from this market with valuable facilitation from HSBC."

As of 31 October 2015, HSBC was the custodian bank for RMB 200.6 billion of investment quota for RQFIIs, which was equivalent to 48 per cent of the total amount approved. \*

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

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



- 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 RQFIIs in Germany, Australia, Switzerland and Canada
- 2015: Custodian bank for the first RQFII money market ETF listed in London

\* Source: SAFE, as of October 2015

*Ends/more*

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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.

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