

News Release

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HSBC LAUNCHES FREE TRADE ACCOUNT IN SHANGHAI FREE TRADE ZONE

HSBC Bank (China) Company Limited (“HSBC China”) has launched its Free Trade Account (“FTA”) in the China (Shanghai) Pilot Free Trade Zone (“Shanghai FTZ”), becoming one of the first foreign banks to offer this innovative new account service in the pilot zone.

Meanwhile, HSBC China has signed agreements with more than 30 companies, covering industries ranging from pharmaceutical to energy to automobile, who intend to leverage the new account for enhanced efficiency in cross-border transactions between the Shanghai FTZ and overseas markets.

Setting up an FTA, as introduced by China’s central bank, enables cross-border transactions conducted in the Shanghai FTZ to be separated from onshore transactions. This partitioning is associated with official efforts to test bolder financial reforms in a risk-controlled manner. With the FTA, funds can move freely between entities in the Shanghai FTZ and those offshore.

Helen Wong, Deputy Chairman, President and Chief Executive Officer of HSBC China, said: “The Free Trade Account marks a milestone innovation in the Shanghai FTZ’s drive for financial reforms. By connecting the Shanghai FTZ with offshore markets, the new account system allows companies to conduct transactions more easily in meeting their financing needs for cross-border trade and investment, in support of the real economy. It also enables the Shanghai FTZ to experiment with financial innovations while controlling risks more effectively.

“With HSBC Group’s experience in international financial services and extensive suite of products, we will leverage this new account system to provide our customers in the Shanghai FTZ with a wider range of financial solutions to support their cross-border business growth.”

Standing at the forefront of financial innovations in the Shanghai FTZ, HSBC opened its Shanghai FTZ sub-branch early last year, becoming one of the first foreign banks to establish a presence in the pilot zone.

HSBC has since reinforced its leading position by introducing new products and services for its corporate customers in the Shanghai FTZ, including RMB cross-border two-way cash pooling; centralised payments and collections of cross-border RMB; and centralised foreign currency management. Last September, HSBC was among the first banks to trade on the Shanghai Gold Exchange International Board as a member of the new trading platform in the pilot zone.

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This information is issued by

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Note to editors:

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises over 170 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

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