



## MEDIA RELEASE

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### ASX and Bank of China to Deliver New RMB Settlement Service

ASX and the Bank of China have agreed to deliver Renminbi (RMB) settlement services to the Australian and Chinese financial markets by the middle of the year.

Bank of China Country Head and General Manager of the Sydney Branch, Mr Shanjun Hu, and ASX Managing Director and CEO, Elmer Funke Kupper, signed the agreement today in Sydney.

"It represents a major milestone in the internationalisation of the RMB and highlights the importance of the Australia-China trade relationship worth \$120 billion last financial year," they said.

The service will allow Australian companies to efficiently take or make payments with their Chinese investment and trading partners through proven market infrastructure.

The key benefits of the new service include:

- **Increased accessibility:** allowing Australian companies to efficiently use RMB as a settlement currency in their cross-border transactions with trading and investment partners in China.
- **Lower costs and risk:** Australian companies trading with China will be able to pay and receive RMB, thereby eliminating exchange rate risk and the cost of conversion.
- **New growth opportunities:** an important step in expanding the scope and global connectivity of Australia's financial markets. This initiative will allow for a range of investment products, including RMB denominated bonds and other structured instruments, to be developed.

ASX will use its settlement service Austraclear, a world-class, proven piece of Australian financial market infrastructure, which already settles \$3 trillion in AUD cash transactions a year.

Mr Funke Kupper said: "ASX believes this new strategic relationship with the Bank of China will benefit both our countries, and provide a platform for the development of bigger and more diverse products and services in the RMB."

Mr Yue Yi, Bank of China Executive Vice President, said: "In order to satisfy market demand, Bank of China and ASX have initialised their strategic cooperation in the construction of an RMB settlement platform in Australia. The initiative aims to make it convenient for Chinese enterprises entering Australia to issue debt as well as public shares, and also to broaden the width and depth of Australia's offshore RMB markets. As the RMB settlement bank within Australia, Bank of China, Sydney Branch, will vigorously provide favourable and convenient services for Australian local and cross-border RMB settlements, so as to better serve Sino-Australia business and trade cooperation."

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