

Clearstream RMB Services

Service information

Clearstream – your gateway to Chinese securities

Key benefits

- **Coverage** – access to a wide range of RMB-denominated assets and products based on Chinese underlyings, both onshore and offshore
- **Reach** – possibility for customers to make use of services covering European and East Asian local operating hours
- **Integration** – services that work together so that customers can make the most of their RMB business

A long-awaited convergence of internal reform in China and international recognition of the importance of the RMB is currently taking place. This means that international investors are presented with a reason to reexamine how they might harness RMB assets, as well as new opportunities for doing so. At Clearstream we're working to develop solutions that help our customers leverage these trends.



RMB liquidity across borders

Offshore RMB is a full settlement currency in Clearstream. Clearstream has continuously expanded its Cash Correspondent Bank (CCB) network for offshore RMB, which now covers 5 different locations in Asia and Europe. This means customers can benefit from access to liquidity to support their issuance, settlement and collateral management activities in both Asian and European time zones.

Longstanding experience with RMB bonds

Clearstream has been helping its customers issue offshore RMB-denominated bonds for over a decade. In 2012, Clearstream was the first ICSD to facilitate the issue of an offshore Renminbi bond on the international market.

Since then, Clearstream has been supporting increasing bond issuance of offshore bonds both on the international market and in Germany and Luxembourg. Recently, Clearstream has also been chosen to support the first offshore RMB issuance from China's Ministry of Finance.

Onshore access

Clearstream customers have been able to benefit from access to onshore RMB fixed income products via our China Bond Link since October 2016. Clearstream is continuing to further develop and enhance this unique ICSD link and related services – to provide eligible international investors with the best possible access path to the domestic Chinese Interbank Bond Market and these sought-after assets.

Connect to Chinese equities

Clearstream customers can benefit from custody and settlement services for A-shares, B-shares and H-shares. Customers can access H-shares via our indirect link with Citibank N.A. (Hong Kong Branch) and China B-shares via our link to HSBC Shanghai.

Stock Connect coverage

We are currently the only ICSD to offer settlement and custody services of China A-shares listed at Shanghai Stock Exchange via the Stock Connect scheme. Last year, we enhanced this service to offer our customers the possibility to segregate their positions via Special Segregated Account Model (SPSA) accounts. This allows customers to conduct DVP/RVP settlement via this linkage without

a requirement to pre-deliver securities. We also support the extension of the scheme by A-shares listed at Shenzhen Stock Exchange, having gone live with our related services at its launch in December 2016.

Chinese equity types explained

Confused by the difference between A- B- and H-shares? Here are generic definitions of these three primary categories of Chinese equities:

Name	Currency	Market	Definition
A-share	RMB	Onshore	Shares in local Chinese companies that have been issued in China are denominated in RMB. These shares are and listed on either the Shanghai or the Shenzhen Stock Exchange.
B-share	USD or HKD	Onshore	Shares in Chinese companies that have been issued in China with a face value in RMB, but that are listed for trading in USD on the Shanghai Stock Exchange, or HKD on the Shenzhen Stock Exchange.
H-share	HKD	Offshore	H-shares are equities of companies incorporated in China that are traded on the Hong Kong Exchange.

Collateral management for offshore RMB

Through the Global Liquidity Hub, Clearstream customers can also benefit from triparty repo services for the offshore Renminbi market in Hong Kong. Based on bilateral repo agreements between the Hong Kong based cash provider in offshore Renminbi and the international cash taker, Clearstream acts as the central collateral manager for the HKMA in managing the collateral. The Global Liquidity Hub also provides customers with securities lending and borrowing services for offshore RMB bonds.

CEINEX – a unique integrated offering

In November 2015 our parent company Deutsche Börse unveiled China Europe International Exchange (CEINEX) - a Joint Venture Deutsche Börse has founded together with the Shanghai Stock Exchange (SSE) and China Financial Futures Exchange. CEINEX is the first dedicated platform for authorised trading of RMB denominated securities outside of mainland China, and as such it is a further step in the opening up of the Chinese stock market for foreign investors.

Clearstream's services dovetail with CEINEX, allowing customers to benefit from a full suite of issuance, settlement, safekeeping and asset services for the venue through their existing channels, with no connectivity or account changes.

Contact information

If you would like more information on any of the topics in this service information, please contact your relationship manager.

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