

# Clearstream Spotlight

## Easier access to China A-shares

Non-residents can now invest in Renminbi-denominated shares listed on Chinese stock exchanges (A-shares) in a more streamlined manner while benefiting from Clearstream's full range of settlement and custody services.

From now on, customers have improved access to the Chinese onshore market via Clearstream's Hong Kong link, thanks to new mutual order-routing between the Shanghai Stock Exchange (SSE) and the Hong Kong Stock Exchange.

### A sought-after asset class

China A-shares are Renminbi-denominated shares issued by companies based in mainland China that are traded on Chinese stock exchanges. Until now, A-shares were only available for purchase by citizens of mainland China; foreigners could only invest in them through a tightly-regulated structure known as the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RFQII) system.

In a further step towards opening the Chinese stock market for foreign investors, Hong Kong-based and international investors will now have direct access to the Chinese market to purchase and trade eligible A-shares listed at SSE. In return, Chinese firms can raise money from a broader pool of international investors. This development goes hand in hand with the government's approach

to establish the Renminbi as an international currency and to liberalise China's financial market.

### Comprehensive settlement and custody services

This new development now enables customers to benefit from Clearstream's comprehensive settlement and custody services for China A-shares and further eligible securities listed at SSE via our proven Hong Kong link through Citibank N.A. as the custodian bank. This service was previously only offered for China B-shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange via our indirect link through HSBC China. Clearstream customers will not have to open an additional account or provide additional documentation to subscribe to the new service for A-shares.

## Supporting the rise of the Renminbi

Clearstream has been supporting the internationalisation of the Renminbi as a key part of our strategy since the launch of the offshore model. For example, we have been facilitating the issuance of Renminbi-denominated bonds for over a decade, starting with dual currency bonds in 2004. In 2012, Clearstream was the first international central securities depository to support the issuance of an offshore Renminbi bond on the international market.

We at Clearstream are convinced that the liquidity of the offshore Renminbi must be strengthened to create opportunities for financial and corporate investors as well as issuers. The provision of a comprehensive suite of services for China A-shares is the next logical step in our strategy to support the development of the market for offshore Renminbi securities.



### More information

For more information on these topics, please contact your Relationship Manager. If you would prefer not to receive our email news, please ask your RM to remove you from the mailing list.