

Darryl Chan: Opening remarks - Treasury Markets Summit 2024

Opening remarks by Mr Darryl Chan, Deputy Chief Executive of the Hong Kong Monetary Authority, at the Treasury Markets Summit 2024, Hong Kong, 27 September 2024.

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Distinguished guests, members and friends of the TMA, ladies and gentlemen: good morning.

On behalf of the HKMA and the TMA, a very warm welcome to you all for joining this annual Treasury Markets Summit. The annual event has been, and will continue to be, a great gathering that promotes the sharing of thoughts, ideas and friendship among professionals from the treasury markets and experts from related disciplines.

I'd like to congratulate the TMA team on curating a highly relevant and interesting programme for this year's Summit. Special thanks to our panellists who will generously share their insights and foresights on subjects that are so closely related to our day-to-day work such as China's economic outlook, and subjects that will or may have profound impact on the way financial markets including the treasury markets operate – here I am referring to CBDC and DeFi. And, speaking of China's economic outlook, these past couple of days were extraordinary. I am sure we can't wait to hear the sharing by our experts.

And of course we also look forward to hearing what Eddie has to say about offshore RMB business, a topic that I'm sure concerns almost every one of us here today, and a topic that is hugely important to sharpening the edge of Hong Kong as an international financial centre.

But before we embark on the forward-looking journey, let me take a few minutes to highlight a number of remarkable achievements by the TMA in the past year or so.

In terms of market infrastructure, the TMA's dedicated working group has done a wonderful job in helping market practitioners prepare for the smooth transition of LIBOR to alternative reference rates and facilitating the adoption of Hong Kong dollar overnight index average, or HONIA, as an alternative to HIBOR. No fanfare, but the silence spoke volumes about the hard work behind the scenes.

On the introduction this week of severe weather trading in our stock market, the TMA has reviewed the arrangements of the financial benchmarks it administers and undertook to continue publishing HKD and CNH FX spot rates during severe weather conditions, facilitating the implementation of the new trading arrangement.

The TMA also actively provides market perspectives and advice in support of the development of Hong Kong's offshore RMB business hub. It provided industry feedback to the People's Bank of China in facilitating the launch of the northbound Swap Connect. It also set up a dedicated working group and made a comprehensive proposal to the HKMA on ways to further promote our RMB business, including building a market-driven CNH yield curve and enhancing Hong Kong's RMB liquidity pool. The specific

measures proposed by the TMA are valuable reference that helps us focus our policy priorities and map out concrete steps to achieve those objectives.

These are just some of the examples demonstrating the TMA's efforts to make our treasury markets more competitive and more supportive of our financial sector, not to mention the many ongoing initiatives in nurturing treasury markets talent, implementing international standards and best practices, as well as engaging with international and regional peers.

There's still a lot of work ahead. Earlier this year, with the support of the banking and financial community, the TMA launched the data licensing arrangement to align with international practices on benchmark usage and surveillance. Under the arrangement, a small fee is charged on the subscription and use of certain benchmarks administered by the TMA. Hopefully the additional income will ensure the TMA is better resourced to discharge its heavy responsibilities going forward.

Before I conclude, I would like to express my heartfelt gratitude to the members of the Council, Executive Board and various Committees of the TMA, and all institutional and individual members, for your unfailing support and contribution. My thanks also go to the TMA team for their dedication and commitment. With all your support, I'm sure the TMA has what it takes to go from strength to strength.

May I wish you all a productive and fruitful summit. Thank you.