

Joint announcement of People's Bank of China and Hong Kong Monetary Authority

The following is issued on behalf of the Hong Kong Monetary Authority:

To deepen financial cooperation between the Mainland and Hong Kong, and to meet the demand of residents in both places for secure, efficient and convenient cross-boundary remittance service, the People's Bank of China (PBoC) and the Hong Kong Monetary Authority (HKMA) have jointly pushed forward the cooperation between the China National Clearing Center (CNCC) and the Hong Kong Interbank Clearing Limited (HKICL) in linking the faster payment systems in the Mainland and Hong Kong (hereafter referred to as Payment Connect). It is hereby announced that:

1. Payment Connect refers to the linkage between the Mainland's Internet Banking Payment System (IBPS) and Hong Kong's Faster Payment System (FPS). It supports real-time cross-boundary payment services for residents in both places, in compliance with relevant laws and regulations of the two places.

2. Payment Connect supports the participating institutions of the faster payment systems in both places to provide convenient remittance services in Renminbi and Hong Kong dollar for residents in both places under the current account. It also supports the participating institutions in both places, on the basis of implementing relevant policies, to provide instant remittance services for salary disbursements, payments of tuition fees and medical bills, as well as other use cases beneficial to the integration of the two places.

3. Payment Connect represents another key measure of the Central Government in supporting the development of Hong Kong. It brings convenience to people's daily lives, deepens financial cooperation between the Mainland and Hong Kong, and enhances the efficiency and service quality of cross-boundary payments between the two places. It also facilitates economic and trade activities and flow of people, benefits Hong Kong in elevating its competitive edge, and reinforces its position as an international financial centre and a global offshore Renminbi business hub.

4. Under the framework of the Memorandum of Understanding on Cross-Boundary Linkage of Payment Systems between the Mainland and Hong Kong, the PBoC and the HKMA will establish an effective collaboration mechanism for the Payment Connect to ensure the related services are operated in an orderly manner and comply with the respective legal and regulatory requirements in the two places.

5. The CNCC and HKICL, having regard to the operation procedures and risk management principles, will coordinate with participating institutions to provide secure and efficient cross-boundary payment services to residents in both places, ensuring the smooth operation of the system and its transactions, while actively coordinating in resolving issues which may

arise.

6. Institutions participating in the Payment Connect shall strictly comply with the relevant laws and regulations on anti-money laundering, counter-terrorist financing, counter-proliferation financing and cross-boundary payment settlement.

7. Payment Connect will be launched on June 22, 2025.

Note: This is a translated version of the official announcement in Chinese.