

# Joint press release of PBoC, SFC and HKMA on further enriching product types of Swap Connect to facilitate high-level opening-up of Mainland's financial markets

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

Following the launch of the Mainland and Hong Kong interest rate swap markets mutual access scheme (Swap Connect) on May 15, 2023 as part of the national strategy of steadily advancing the opening-up of Mainland's financial markets, transaction volume under the scheme has been growing steadily. In May 2024, Swap Connect was enhanced to provide more flexibility for offshore institutional investors to manage interest rate risk, and strengthen the appeal of RMB assets to offshore investors. As of the end of April 2025, 20 Mainland dealers and 79 offshore investors had participated in Swap Connect, completing more than 12 000 interest rate swap transactions with an aggregate notional amount of approximately RMB 6.5 trillion.

To further promote the collaborative development of financial derivatives markets on the Mainland and in Hong Kong, as well as the high-level opening-up of Mainland's financial markets, after assessing the operational experience of Swap Connect and feedback from Mainland and offshore investors, the People's Bank of China, the Hong Kong Securities and Futures Commission and the Hong Kong Monetary Authority plan to further enrich the product types under Swap Connect. First, the tenor of interest rate swap contracts would be extended to 30 years to meet the diverse risk management needs of market institutions. Second, the product scope of Swap Connect would be expanded by including interest rate swap contracts using the Loan Prime Rate (LPR) as the reference rate. Relevant financial infrastructure operators in both markets will roll out these enhancement measures progressively.

Looking ahead, regulatory authorities on the Mainland and in Hong Kong will continue to provide guidance to the financial market infrastructure operators in both markets to continue to enhance relevant arrangements, taking into account the operation experience of Swap Connect, with a view to steadily advancing the further opening-up of Mainland's financial markets, promoting RMB internationalisation in a steady, orderly and sound manner, and supporting the successful development of Hong Kong as an international financial centre.