

Press release

Signing Ceremony of the Memorandum of Supplementary Cooperation between People's Bank of China and the Monetary Authority of Macao

In accordance with the provisions of the “Administrative Rules on Pilot Programme of Renminbi Settlement of Cross-Border Trade Transactions”, jointly promulgated by the People’s Bank of China and relevant ministries of the State Council earlier, banks of Macao are authorized to, via the clearing bank in Macao for RMB business and/or their correspondent banks on the Mainland, handle the settlement of cross-border trade transactions denominated in RMB between Macao companies and the pilot enterprises on the Mainland.

Simultaneously, to further satisfy the demand arising from development of Macao individual RMB business, as sanctioned by the State Council, the People’s Bank of China announced on 14 December 2009 further widening the restrictions and scope imposed on RMB business conducted by Macao Banks as follows:

- 1. Increase the quota on the value of RMB exchange for each individual each time from RMB6,000 to RMB20,000 equivalent;*
- 2. Extend designated merchants who are allowed to exchange RMB for Pataca from Macao banks to include institutions that provide telecommunication services, education and exhibition/convention services; and*
- 3. Allow Macao residents to use RMB cheques to pay for consumer spending in the Guangdong Province up to RMB50,000 per account per diem.*

To support and coordinate the inauguration and development of RMB settlement mechanism for cross-border trade, and the implementation of the three aforementioned measures relating to widened RMB business, Mr. Zhu Min, Deputy Governor of the People’s Bank of China Head Office made a special trip to Macao and jointly signed the Memorandum of Supplementary Cooperation Relating to Macao RMB Business with Mr. Anselmo Teng, Chairman of the Monetary Authority of Macao, on the same day. The document extends the relevant supervisory cooperative measures established in 2004 to cover the “Administrative

Rules on Pilot Programme of Renminbi Settlement of Cross-Border Trade Transactions” which include arrangements involving Macao, and the three aforementioned measures relating to widened RMB business. The signing ceremony took place at the Macao SAR Government Headquarters, Mr. Edmund Ho, Chief Executive; Ms. Gao Yan, Deputy Director of Liaison Office of the Central People’s Government; Mr. Lu Shumin, Special Envoy of the Commission of the Ministry of Foreign Affairs; Mr. Francis Tam, Secretary for Economy and Finance; Mr. Xing Yujing, Deputy Director General of Monetary Policy Department II; Mr. Zhu Jun, Deputy Director General of International Department of People’s Bank of China; Mr. Luo Bochuan, President of Guangzhou Regional Branch of People’s Bank of China; Mr. Li Canyu, President of Zhuhai Branch of People’s Bank of China; representatives from Macao banking sector and from relevant sectors of the community witnessed the signing ceremony.

The signing of the aforementioned supplementary memorandum will further promote the RMB settlement business for cross-border trade, and the widened business scope and extension of individual RMB transactions, which will certainly facilitate communication between Macao and the Mainland, deepen economic and financial cooperation and integration of the two areas, which is conducive to the long term stable development of Macao banking industry.

Monetary Authority of Macao

14 December 2009