

Press Release

ASIFMA Launches Offshore Renminbi Annex to Global Master Repurchase Agreement - Supplemental Terms and Conditions for Transactions with Payments Denominated in Offshore Renminbi

24 February 2015, Hong Kong – ASIFMA, the financial industry's leading regional trade association, today launched the Supplemental Terms and Conditions for Transactions with Payments Denominated in Offshore Renminbi as the Offshore Renminbi Annex to the Global Master Repurchase Agreement ("GMRA") which is based on the ISDA Additional Disruption Event Provisions for an Offshore Deliverable CNY Transaction and modified as appropriate for the GMRA to harmonize the alternative settlement mechanism for both the repo and OTC derivatives markets.

"In the repo markets, the funding currencies are usually G3 currencies - USD/EUR/GBP. From both a prudential and systematic perspective, it is beneficial to have alternative settlement provisions when using RMB as the funding currency, and it is designed to support the deepening of offshore RMB centres as well as promoting overall liquidity of the market," said Patrick Pang, Managing Director – Fixed Income at ASIFMA.

The supplemental terms and conditions cover the following repo transactions:

- a) Transactions where the Purchased Securities are Offshore RMB-denominated bonds issued in HK or another Centre and the Purchase Price & Repurchase Price is denominated in Offshore RMB.
- b) Transactions where the Purchased Securities are bonds other than Offshore RMB Bonds and the Purchase Price & Repurchase Price are denominated in Offshore RMB.

Similar to the ISDA provisions, this GMRA Offshore RMB Annex provides alternative settlement solutions in the event of offshore RMB illiquidity, inconvertibility, as well as non-transferability. The currency pairs covered also follow the ISDA provisions, namely: USD and Offshore RMB; SGD and Offshore RMB; Euro and Offshore RMB. The Annex is for the inter-dealer market where inter-dealer terms and languages are applicable. The document has been designed to be scalable for additional offshore RMB centres and can be adapted for use with market participants other than dealers.

Adoption of the terms is available in two formats: (a) the Annex is published on the ASIFMA website and market participants can apply the terms of the Annex to a transaction by specifying this in the relevant trade confirm; and (b) by signing the Annex. The full document can be accessed [here](#).

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About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 70 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry

to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

More information about ASIFMA can be found at: www.asifma.org.