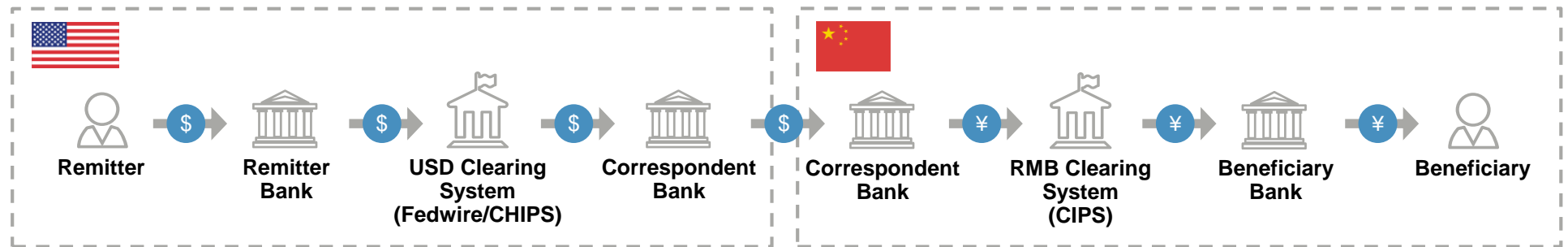


U.S. Renminbi Clearing for U.S. Financial Institutions

Case Studies | January 2021

Cross-border RMB payments via correspondent banks (pre-U.S. RMB hub model)

Typical flow of cross-border RMB payments via correspondent banks (pre-U.S. RMB hub model)



Pain points with this process



Inefficient

Transactions flow through multiple intermediaries and typically through 2 Clearing Systems.



Costly

Intermediaries take lifting or processing fees, in addition to FX spreads.

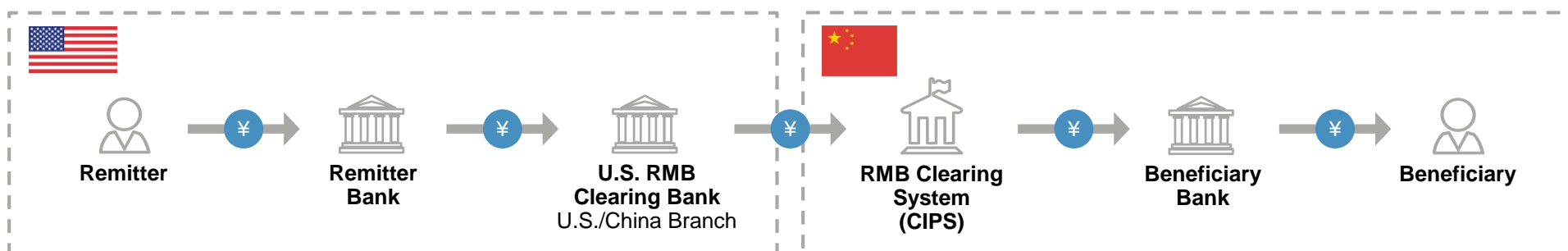


Slow

Transaction processing time can take 48 to 72 hours.

Cross-border RMB payments via U.S. RMB clearing bank

Flow of cross-border U.S. RMB payments settled via U.S. RMB clearing bank



Benefits with this process



Streamlined

Process is streamlined by limiting the number of parties and Clearing Systems in the payment chain.



Cost Effective

By using a RMB account in the U.S., payments to China stay with one intermediary bank and one Clearing System, reducing costs for clients.

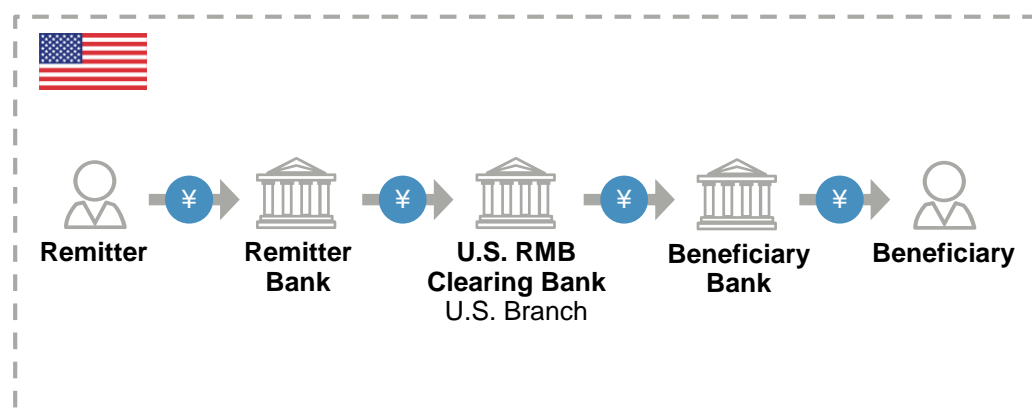


Fast

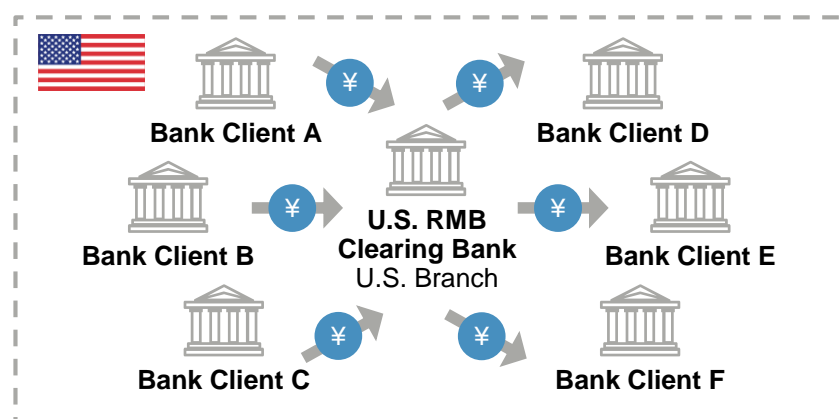
End-to-end transaction processing time reduces to within 24 hours in most cases.

RMB book transfer payments via U.S. RMB clearing bank

Leveraging clearing bank's book for RMB payments in the U.S.



Near real-time settlement amongst the clients on the book



Benefits with this process



Streamlined

Process is further streamlined by leveraging the U.S. RMB clearing bank's for RMB payments.



Cost Effective

With only one intermediary, costs decrease significantly.



Fast

Book transfers allow clients to transact RMB in the U.S. for near instantaneous credit.

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