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Fresh progress in China-Switzerland financial cooperation

On 21 January, the Swiss National Bank (SNB) and the People's Bank of China (PBC) signed the Memorandum of Understanding on the establishment of RMB Clearing Arrangements in Switzerland, and the PBC decided to extend the pilot scheme of RMB Qualified Foreign Institutional Investor (RQFII) to Switzerland with a quota of RMB 50 billion.

The above arrangement is a sign of fresh progress in the bilateral financial cooperation between China and Switzerland. It will promote the use of the renminbi by enterprises and financial institutions in cross-border transactions, and promote facilitation of bilateral trade and investment.

On 21 July 2014, the SNB and the PBC had signed a renminbi swap agreement with a limit of RMB 150 billion, or CHF 21 billion. This agreement was a key prerequisite for the development of a renminbi market in Switzerland. At the same time, the PBC granted the SNB an investment quota for the Chinese interbank bond market in the amount of RMB 15 billion, or just over CHF 2 billion.