

## Regulatory

## Developments

### **Phase 2 of RMB Cross-border Interbank Payment System Fully Launched**

On May 2, 2018, after the successful pilot operation on March 26, the Phase 2 of RMB Cross-border Interbank Payment System (CIPS) was fully launched, with eligible direct participants engaged online simultaneously. CIPS, as an important financial infrastructure developed in line with international standards, provides fund clearing and settlement services to domestic and foreign participants in cross-border RMB businesses, serving as a “highway” for RMB internationalization. As of the end-March 2018, a total of 31 domestic and foreign direct participants, as well as 695 domestic and foreign indirect participants have joined CIPS expanding its actual business scope to 148 countries and jurisdictions.

Compared with CIPS (Phase 1), the functions and characteristics of CIPS (Phase 2) have been further improved in the following aspects:

First, the operating hours of CIPS have extended from 5x12 to 5x24+4 hours, basically covering the working hours of all financial markets in every time zone around the globe.

Second, deferred net settlement (DNS) has been introduced as a supplement to the real-time gross settlement (RTGS) so as to meet diversified demands of CIPS participants and to facilitate cross-border e-commerce.

Third, the design of business modes not only conforms to international standards, but also enables future demand of further expansion to get ready for fund settlements of various financial transactions.

Fourth, with the introduction of financial infrastructure entities as its direct participants, the categories of CIPS participants have been expanded.

Fifth, CIPS (Phase 2) has been capable of supporting more foreign direct participants and is ready to incorporate more eligible foreign institutions. After adjustment, the operating hours of CIPS (Phase 2) at night overlap with European and US financial

markets.

To meet the domestic and foreign direct participants' demand for liquidity adjustment at night and to ensure secured payment and clearing, the PBC has decided to add a night session for the inter-bank money market.

[\(PBC News\)](#) (Currently Available in English)

## Macro & Financial

### Market News

#### **Governor Yi Gang Attended BIS Meetings**

The Bank for International Settlements (BIS) Bimonthly Meeting was held in Basel, Switzerland on 6-7 May 2018. Governor YI Gang of the People's Bank of China attended a series of meetings, including High Level Roundtable on Financial Stability, Meeting of Governors from the Meeting of the Board of Directors, the Meeting of the Economic Consultative Committee, Global Economy Meeting, the Meeting of Board of Directors, etc. Central Bank Governors exchanged views on recent developments in the global economy and discussed macroeconomic policy responses and other related issues.

After an election at the Meeting of Board of Directors, it was decided to appoint YI Gang, Governor of the People's Bank of China, as a member of the BIS Board of Directors. Governor YI is also appointed as a member of the Banking and Risk Management Committee under the BIS Board of Directors.

[\(PBC News\)](#) (Currently Available in English)

#### **People's Bank of China and Central Bank of Nigeria Signed Bilateral Local Currency Swap Agreement**

On April 27, 2018, with the approval of the State Council, the People's Bank of China signed a bilateral local currency swap agreement with the Central Bank of Nigeria in Beijing for the purpose of facilitating bilateral trade and direct investment, and safeguarding financial market stability in both countries. The size of the swap facility is RMB 15 billion/NGN 720 billion. The agreement is valid for three years and can be extended upon mutual consent.

[\(PBC News\)](#) (Currently Available in English)

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