

# London's Yuan Hub

China and the UK on October 15 agreed to continue to build London into a major offshore market for yuan trading, underlining the strong financial ties between the two countries.

Both sides welcomed strong growth of London's yuan markets, making the capital city the most active yuan center in the world outside China, according to a joint statement following the Fifth China-UK Economic and Financial Dialogue held in Beijing.

To boost London's market status, China will give investors based in the city the right to buy 80 billion yuan (\$13.12 billion) worth of stocks, bonds and money market instruments issued by financial institutions on the Chinese mainland through

a regime called RQFII, or Renminbi Qualified Foreign Institutional Investor.

The extension of RQFII will deepen China's financial markets and strengthen yuan activity offshore, the statement said.

In addition, both sides agreed to support further yuan bond issuance in the UK by Chinese as well as international firms, and the development of London as an offshore yuan debt issuance center.