

**Investment Funds Global Market Practice**

**CNY and CNH (Onshore/Offshore) – a work-around**

**Draft**

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# Background

This issue was raised by SWIFT HK on behalf of HSBC TA. HSBC TA is asking how ‘CNH’ can be accommodated in the MX orders.

# Market Practice - Orders

CNY (China Yuan Renminbi) is the ISO currency code. This is the currency that is allowed on the SWIFT network. This is known as ‘onshore’. Settlement of funds in CNY cannot take place outside of China.

Some sectors of the industry talk about ‘offshore’ and CNH and the need to be able to differentiate CNY from CNH.

This is not an issue, because for all practical purposes, the settlement of the fund always takes place outside of China. The currency code is always CNY, but it should be recognised that this is offshore. If a back-office system provides CNH, it should be interpreted as CNY.

**Next steps: Put as a document attached to Order MP on MyStds + on** [**www.smpg.info**](http://www.smpg.info)**. Share it with S & R and CA.**