The Hongkong and Shanghai Banking Corporation Limited today announced it has received approval from the China Securities Regulatory Commission (CSRC) to establish its majority-owned joint venture securities company with Qianhai Financial Holdings Co., Ltd. (formerly known as Shenzhen Qianhai Financial Holdings Co., Ltd.).

The joint venture securities company – HSBC Qianhai Securities Limited – will be based in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen in mainland China’s Guangdong province. HSBC Qianhai Securities Limited will engage in equity research and brokerage of locally listed securities; equity and debt underwriting and sponsoring; and advising on domestic and cross-border corporate mergers and acquisitions. The joint venture is expected to begin operating by the end of the year.

Stuart Gulliver, Group Chief Executive, HSBC Holdings plc, said: “The establishment of this joint venture is an important step for HSBC to deliver on our strategic commitment to invest in and grow our business and operations in mainland China. Under the joint venture, we will be able to offer clients a broad spectrum of investment banking and financial markets solutions in mainland China, as we do in Hong Kong, the UK or HSBC’s other major markets.”

The joint venture has been made possible under Supplement X of The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), which states Hong Kong-funded financial institutions that satisfy the requirements for establishing foreign-invested securities companies are allowed to set up one fully licensed joint venture securities company each in Shanghai, Guangdong Province and Shenzhen in accordance with relevant Mainland requirements. HSBC’s 51 per cent ownership is the maximum percentage of aggregate shareholding for a Hong Kong-funded institution in a joint venture securities company. The joint venture will apply for the various licences in stages.
Peter Wong, Deputy Chairman and Chief Executive, The Hongkong and Shanghai Banking Corporation Limited, said: “HSBC is proud to be the first Hong Kong-funded financial institution to set up a majority-owned joint venture securities company in mainland China. We are delighted to receive this approval on the occasion of the 20th anniversary of the establishment of the Hong Kong SAR. Once operational, this securities company will expand HSBC’s product offerings in China. Both our Mainland and foreign clients will be able to enjoy more comprehensive financial services from HSBC and in the future benefit from the further growth and liberalisation of mainland China’s capital markets.”

Notes to editors:

Qianhai Financial Holdings Co., Ltd.
Qianhai Financial Holdings Co., Ltd. (QFH) is a wholly state-owned financial holding company founded by the Authority of Qianhai Shenzhen–Hong Kong Modern Service Industry Cooperation Zone (Authority) with registered capital of around RMB9bn. QFH was established as the strategic investment platform of the Authority to promote financial innovation in Qianhai.

HSBC Holdings plc
HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from approximately 4,000 offices in 70 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US$2,416bn at 31 March 2017, HSBC is one of the world’s largest banking and financial services organisations.

The Hongkong and Shanghai Banking Corporation Limited
Established in Hong Kong and Shanghai in 1865, The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group – one of the world’s largest banking and financial services organisations. It is the largest bank incorporated in Hong Kong and one of Hong Kong’s three note-issuing banks. It is a wholly-owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group, which has an international network organised into five geographical regions: Europe, Asia, Middle East and North Africa, North America and Latin America.