

July 3, 2018
Mizuho Bank, Ltd.

Mizuho obtains a market maker license for China's Bond Connect

Mizuho Bank (China), Ltd. ("Mizuho China"), a subsidiary of Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara), has obtained a market maker license for the Bond Connect scheme from the China Foreign Exchange Trade System (CFETS).

Bond Connect is a mutual market access scheme* that allows investors from mainland China and overseas to trade in each other's bond market through mainland and Hong Kong-based financial institutions. Bond Connect provides a channel for overseas investors to invest in the Chinese bond market via Hong Kong.

As a part of efforts to encourage the internationalization of the Chinese Yuan, Bond Connect is a key component of the financial infrastructure that supports the further opening up of financial markets in mainland China to overseas investors.

The market maker system established in the Chinese bond market—the world's third largest bond market behind the US and Japan—requires financial institutions holding market maker licenses to provide high-quality services to investors, including real-time price quotes in interbank bond markets.

Obtaining a market maker license will enable Mizuho China to use the Bond Connect scheme to provide bond price quotes and conduct direct bond trades for overseas investors investing in mainland China. The Mizuho group as a whole will also be able to strengthen its support to overseas investors trading in China's onshore bond market.

We are dedicated to offering a variety of attractive investment instruments for overseas investors in China, particularly Japanese investors, as well as contributing to the further development of the Chinese bond market.

*Some restrictions apply regarding the type of bonds eligible for this scheme.

Appendix

Bond Connect flow

