

In The News

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O'Melveny's Hutton Quoted About Determining Success of RMB Offshore Centers in Thomson Reuters

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O'Melveny & Myers LLP Singapore partner Andrew Hutton was quoted in the April 20, 2012, *Thomson Reuters* article "Transparent and legal structure key in determining success of RMB offshore centres," discussing how as China is considering turning the renminbi (RMB) into an international currency, key financial centers are attempting to position themselves as the next offshore center for RMB trading, clearing, and settlement.

Hutton, a member of the Firm's Corporate Finance and Capital Markets Practice, told *Thomson Reuters* that while fundamentally there was nothing to prevent other jurisdictions from following such a path, there were three important aspects to be considered. "The infrastructure and linkage is key. You need depositors and investors who are willing to hold RMB-denominated accounts and products; you need local banks to participate in the RMB clearing and settlement systems, and local authorities need to create the infrastructure, systems and linkage to facilitate RMB clearing and settlement. Hong Kong, for instance, has for a while included RMB settlement in its Central Moneymarkets Unit (CMU) system, which has allowed it to position itself as the leading centre for offshore RMB clearing and settlement," explained Hutton.