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Regulatory News

PBC and CBRC issue notice on improving housing financial services

Lately the People's Bank of China (PBC) and China Banking Regulatory Commission (CBRC) issued a notice on further improving housing financial services. The notice requires to increase financial support for the construction of indemnificatory housing projects, actively meet the reasonable housing loan demand of households, enhance financial institutions' capability to offer personal housing loans, and continue to meet the reasonable financing demand of real estate developers.

<http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2014/20140930160525301502298/20140930160525301502298.html>

State Council issues opinions on strengthening the management of local government debt

The General Office of the State Council recently issued the Opinions of the State Council on Strengthening the Management of Local Government Debt, which proposes to grant local governments the authority to launch appropriate debt financing according to law, so as to facilitate the establishment of a standard mechanism for local government to make debt financing. It also firmly prohibits illegal debt financing by local governments.

<http://www.chinanews.com/gn/2014/10-02/6648773.shtml>

CIRC issues regulatory standard for solvency of assembled fund trust scheme

China Insurance Regulatory Commission (CIRC) recently issued the Rules for Compiling Insurance Company Solvency Report - Answer No.24: Trust scheme (Answer No.24), which further standardizes insurance company's investment in the assembled fund trust scheme and improves relevant solvency approval criteria. Main contents include the following. First, the approval criteria differ for old and new assembled fund trust schemes. Trust schemes invested by insurance companies before the release of Answer No.24 shall follow the former criteria. Second, the approval criteria for assembled fund trust scheme with fixed yield are adjusted. The criteria for AAA schemes is adjusted from 95% to 90%, that for schemes from AA (inclusive) to AAA is adjusted from 90% to 85%, and that for schemes from A (inclusive) to AA from 80% to 75%. Third, the approval criteria for equity-based assembled fund trust scheme is adjusted from 80% to 75%.

<http://www.circ.gov.cn/web/site0/tab5168/info3929426.htm>