

## NAFMII News

### Latest NAFMII Data as of September 27, 2013

- The newly issued non-financial enterprises debt financing instruments through NAFMII in 2013 reached 2.26 trillion yuan (private placement product reached 449 billion yuan), accounting for 83.2% of the total volume of corporate bonds issued this year; the accumulated issuance volume of the instruments reached 10.6 trillion yuan, accounting for 73.3% of the accumulated volume of corporate bonds; the outstanding volume of the debt financing instruments amounted to 5.3 trillion yuan, accounting for 61.4% of the total corporate bonds outstanding.
- 4,067 market participants had joined NAFMII membership, including 197 banking institutions like policy banks, commercial banks and credit unions; 191 non-bank financial institutions like securities, insurance and finance companies; 7 financial intermediaries; 705 intermediaries like rating agencies, accounting firms and law firms; 2913 enterprises; 1 institutions of other areas; and 10 individual members.
- A total of 676 institutions (including 531 non-financial institutions and 1 investment entity with non-legal person status) completed the filing procedures for the signing of 2,375 copies of the Master Agreement on Trading Financial Derivatives in China's Interbank Market (NAFMII Master Agreement); 194 market institutions signed the Master Agreement on Bond Repurchase Transactions; 54 market institutions signed the Master Agreement on Loan Transfer; 21 market institutions signed the Master Agreement (Warranty); 57 institutions registered for Forward Rate Agreement (FRA) qualification and 103 institutions registered for Interest Rate Swap (IRS) qualification; and there were 45 Credit Risk Mitigation (CRM) traders, 26 core traders and 30 CRMW creation institutions.

## Regulatory Developments

### PBC signs Bilateral Local Currency Swap Agreement with the European Central Bank

Approved by the State Council, PBC and the European Central Bank signed a RMB 350 billion (€ 45 billion) Local Currency Swap Agreement on October 9, 2013 to

deepen financial cooperation between China and Europe and facilitate bilateral trades, safeguarding financial stability. The swap agreement has a three-year maturity and can be extended on the agreement of both sides. The signing of the currency swap arrangement with the European Central Bank will not only provide liquidity support for further development of the RMB market in the Euro Zone and promote the use of RMB in the overseas market, but also facilitate bilateral trades and investments.

[PBC News](#) (Currently Only Available in Chinese)

### **CSRC issues the *Interim Measures for the Supervision and Administration of Risk Reserves of Publicly Offered Securities Investment Funds***

On September 27, China Securities Regulatory Commission (CSRC) issued the *Interim Measures for the Supervision and Administration of Risk Reserves of Publicly Offered Securities Investment Funds* (the "Interim Measures"), effective as of January 1, 2014. The Interim Measures is divided into five chapters, with the following main contents: first, it specifies the applicable scope and designated use of the risk reserves system of public funds; second, it establishes the risk reserves management system for fund custodians, improves the administrative provisions on the risk reserves of fund managers and duly expands their investment scope for low-risk products, and specifies the institutional arrangement for risk reserves of fund managers and custodians in account opening, transfer and use of capitals; third, it establishes institutional arrangement for daily supervision over the depository banks of risk reserves in withdrawal, management and use; and fourth, it specifies penalties to ensure implementation of the risk reserves system.

[CSRC News](#) (Currently Only Available in Chinese)

### **Chinese version of Basel III passes International Assessment**

Recently, Basel Committee released an assessment report on the consistency of China's capital regulatory rules with international standards, giving positive remarks on China's banking regulatory system. The 149th meeting of the Basel Committee discussed and officially approved the assessment report on China's capital regulatory regime. The report gives positive remarks on China's capital regulatory rules in the banking sector, concluding that China's capital requirements on its banking sector have complied with international standards in general. Of the 14 categories under the capital regulatory framework, 12 are rated as "compliant" and 2 rated as "roughly compliant".

[CBRC News](#) (Currently Only Available in Chinese)

### **CBRC issues *Implementing Measures for Small and Medium-sized Rural Financial Institutions Administrative Licensing (Draft for Comments)***

On October 9, 2013, the China Banking Regulatory Commission (CBRC) released the *Implementing Measures for Small and Medium-sized Rural Financial Institutions Administrative Licensing (Draft for Comments)* (the "Measures") to solicit public opinions. The Measures have provided stipulations concerning the conditions of

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establishing rural financial institutions. The total share proportion of a single natural person shareholder and its related parties shall not exceed 2% of the total share capital of rural commercial banks; the total proportion of employee natural persons out of the total share capital of rural commercial banks shall not exceed 20%, and that of a single domestic non-financial institution and its related parties to the total share capital of rural commercial banks shall not exceed 10% (except for the mergers and acquisitions and restructuring of high-risk rural credit cooperatives).

[CBRC News](#) (Currently Only Available in Chinese)

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