

**Regulatory
Developments**

CSRC Publishes the Opinions on Further Promoting Innovative Development of Futures Operators

China Securities Regulatory Commission (CSRC) recently published the Opinions on Further Promoting Innovative Development of Futures Operators, stipulating the overall principles and concrete measures to promote innovative development of futures operators. The document puts forward eight measures to propel innovative development of futures operators: first, to greatly enhance the capacity to serve the real economy; second, to strive to enhance the competitiveness of futures operators; third, to relax the industry access in due course; fourth, to explore the trader system and develop a professional trader team; fifth, to gradually boost opening of futures operators to foreign capital; sixth, to take steady steps to develop the over-the-counter derivatives business; seventh, to strengthen investor protection; eighth, to strengthen risk prevention.

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

China and Sri Lanka Sign Bilateral Local Currency Swap Agreement

On September 16, 2014, the People's Bank of China, with the approval of the State Council, signed a local currency swap agreement of RMB10 billion/LKR22.50 billion with the central bank of Sri Lanka to promote bilateral trade and investment and strengthen financial cooperation between both sides. The agreement will remain in effect for three years, and can be extended upon mutual consultation.

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

SAFE Publishes Balance-of-payment Data under Exchange Settlement and Agency Payment of Banks in August 2014

The statistical data from the State Administration of Foreign Exchange (SAFE) show that in August 2014, the exchange settlement volume of the banking sector reached RMB903.3 billion (equivalent to USD146.6 billion), exchange sales came at RMB908.3 billion (equivalent to USD147.4 billion), representing a deficit of RMB5.1 billion (equivalent to USD800 million). In particular, the agency exchange settlement volume of the banks reached RMB888.1 billion, the exchange sales came at RMB867.7 billion, representing a surplus of RMB20.4 billion; and the proprietary exchange settlement volume of the banks arrived at RMB15.2 billion, and the exchange sales was RMB40.6 billion, representing a deficit of RMB25.4 billion. In the same period, the banks signed agency forward exchange settlement contracts worth

RMB151.2 billion and agency forward sales contracts worth RMB116.3 billion, reaching a net forward exchange settlement volume of RMB34.9 billion. By the end of the month, the cumulative outstanding forward exchange settlement contracts reached RMB963.6 billion, and the outstanding exchange sales totaled RMB822.9 billion, with a net outstanding exchange settlement of RMB140.8 billion. In August 2014, the income of the domestic banks from overseas agency business reached RMB1.5908 trillion (equivalent to USD258.2 billion), and their overseas payment reached RMB1.666 trillion (equivalent to USD270.4 billion), representing a deficit of RMB75.2 billion (equivalent to USD12.2 billion).

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

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