

NAFMII News

NAFMII takes self-disciplinary actions against 2 non-compliant institutions

Jiangsu Sutong Bridge Construction Limited Liability Company, as an issuer, delayed disclosure on significant issues during assigning of its 16.665% equity in Suzhou Raocheng Gaosu Co., Ltd. As an issuer, Yingkou Port Group Corporation has failed to make information disclosure on the fact it guaranteed for Lianyungang's corporate bonds valued RMB 1.35 billion in its relevant provisions. According to relevant self-regulatory rule and provisions, these two companies were criticized in a circulated notice and ordered to make rectifications, and the persons held directly responsible were punished with admonishing talks.

NAFMII Announcements (currently only available in Chinese):

http://www.nafmii.org.cn/zjgl/zwrz/zlcf/201308/t20130820_25264.html

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Chinese version of *Corporate Financial Strategy (3rd Edition)* officially published

Corporate Financial Strategy (3rd edition), one of the NAFMII translation series, was officially published in August 2013. *Corporate Financial Strategy* discusses corporate financial issues in terms of strategic perspectives, with focuses on long-term stability and alternatives for sustainable development, guiding enterprises to make timely adjustments on their financial strategies so as to dynamically maintain enterprises' core competitiveness. Up to this point, four books in the NAFMII financial translation series have been published, and NAFMII will continue to provide classics in the future.

[NAFMII News](#) (currently only available in Chinese)

Regulatory Developments

Financial supervision coordination mechanism of inter-ministerial meeting approved

On August 15, the State Council replied to the People's Bank of China (PBC), approving the establishment of an inter-ministerial meeting mechanism for financial supervision coordination.. Headed by PBC, the mechanism brings together CBRC, CSRC, CIRC and SAFE (State Administration of Foreign Exchange), and will also invite other ministries and commissions such as the National Development and Reform Commission (NDRC) and the Ministry of Finance (MOF) to participate when necessary. Roles and responsibilities of the mechanism include:

- (I) Coordinate the country's monetary and financial regulatory policies;
- (II) Make financial regulations in line with relevant rules and laws;

- (III) Balance the needs of maintaining financial stability and resolving systemic and regional financial risks;
- (IV) Balance the development of cross-field financial products and cross-market financial innovations;
- (V) Promote financial information sharing and help build the industry's comprehensive statistical systems
- (VI) Other matters specified by the State Council.

The mechanism will neither change the existing financial regulatory system, nor replace or weaken responsibilities of relevant government bodies, nor replace the State Council to make decisions. Major issues shall be submitted to the State Council following relevant procedures.

[PBC News](#) (currently only available in Chinese)

Macro & Financial Market News

CSRC circulates verification results on Everbright Securities fat finger trading

Around 11:05 on August 16, the benchmark Shanghai Composite Index (SHCOMP) spiked 5.96% and multiple weighted stocks hit the daily limit of 10%. The China Securities Regulatory Commission (CSRC), Shanghai Stock Exchange, China Securities Depository and Clearing Company Limited (CSDCC), China Financial Futures Exchange and other relevant organizations took emergent response and initiate verification immediately. According to initial verification, the trouble was caused by a design flaw in Everbright Securities' arbitrage trading system, and no human error was identified. Meanwhile CSRC decided to launch a formal investigation on Everbright Securities. In accordance with relevant laws and regulations, the whole-day trading of August 16 in the stock market was effective with expected settlement, and the settlement system was operating normally.

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[CSRC News](#) (currently only available in Chinese)

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