

NAFMII News

Latest NAFMII Data as of June 9, 2013

- The newly issued non-financial enterprises debt financing instruments through NAFMII in 2013 reached 1.49 trillion yuan (private placement product reached 290.2 billion yuan), accounting for 80.3% of the total volume of corporate bonds issued this year; the accumulated issuance volume of the instruments reached 9.8 trillion yuan, accounting for 72.3% of the accumulated volume of corporate bonds; the outstanding volume of the debt financing instruments amounted to 5.1 trillion yuan, accounting for 59.5% of the total corporate bonds outstanding.
- 3851 market participants had joined NAFMII membership, including 180 banking institutions like policy banks, commercial banks and credit unions; 179 non-bank financial institutions like securities, insurance and finance companies; 7 financial intermediaries; 713 intermediaries like rating agencies, accounting firms and law firms; 2769 enterprises; 1 institutions of other areas; and 10 individual members.
- A total of 535 institutions (including 389 non-financial institutions and 1 investment entity with non-legal person status) completed the filing procedures for the signing of 2,094 copies of the Master Agreement on Trading Financial Derivatives in China's Interbank Market (NAFMII Master Agreement); 70 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 98 institutions registered for Interest Rate Swap (IRS) qualification; and there were 45 Credit Risk Mitigation (CRM) traders, 26 core traders and 29 CRMW creation institutions.

Regulatory Developments

PBC Signed Agency Agreement with Nepal Rastra Bank

On June 21, 2013, Deputy Governor Hu Xiaolian signed the Agency Agreement for PBC to Manage NRB's Investment on China's Interbank Bond Market with Deputy Governor Gopal Prasad Kaphle of Nepal Rastra Bank in Katmandu, Nepal. The signing of the agreement is expected to expand financial cooperation between China and

Nepal.

[PBC News](#)

PBC Signed Bilateral Local Currency Swap Agreement with Bank of England

On June 22, 2013, approved by the State Council, the People's Bank of China signed a bilateral local currency swap agreement with the Bank of England for the purpose of facilitating bilateral economic ties and trade, and maintaining financial stability. The size of the swap facility is 200 billion yuan or 20 billion pound. The agreement is valid for three years and can be extended by mutual consent.

[PBC News](#)

CSRC and CIRC jointly issue the Pilot Measures for Insurance Institutions to Establish Fund Management Companies

On June 21, CSRC and CIRC jointly issued the Pilot Measures for Insurance Institutions to Establish Fund Management Companies (Pilot Measures). According to the Pilot Measures: in terms of applicants, insurance institutions eligible for applying for establishing fund management companies include insurance companies, insurance group (holdings) companies, insurance asset management companies and other insurance institutions. In terms of application process, insurance institutions applying for establishing fund management companies shall comply with relevant CIRC requirements on equity investment. In terms of risk control, insurance institutions and fund management companies shall strictly follow the "Separate Operation" principle to guarantee the independent legal person status of fund management companies. In terms of regulation and supervision, CSRC and CIRC will establish cross-industry regulatory cooperation and information sharing mechanisms to effectively protect the effectiveness and operability of regulatory and supervisory measures.

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

Macro & Financial Market News

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inquiry, please contact:**

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First batch of 8 foreign banks got fund distribution qualifications

On June 26, the first batch of 8 foreign banks was granted fund distribution qualifications. HSBC (China), Citibank (China), Bank of East Asia (China), Hang Seng Bank (China), UOB (China), DBS Bank (China), Standard Chartered Bank (China) and Nanyang Commercial Bank (China) have all received written or verbal notification of approval from relevant departments of CSRC. In addition, media learned from relevant sources of Shanghai Securities Regulatory Bureau, the application of OCBC Bank (China) is also being accepted. The first batch of foreign banks with qualifications for such business has already found fund companies for cooperation, and many foreign banks said they will contact more fund companies once qualifications for such business are approved, so as to expanding their partners in the second half of the year.

[Media report](#) (currently only available in Chinese)

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