

NAFMII related

Self-disciplinary Actions taken by NAFMII

Self-disciplinary actions were taken by NAFMII against LDK Solar, Zhenzhong Electric and Zhonghe recently. LDK Solar failed to timely disclose relevant financial statements, so responsible persons were given disciplinary warnings and relevant business was ordered for a suspension of three months; Zhenzhong Electric neither disclosed related risks in its prospectus, nor timely disclosed its lawsuits in China, so the actual controllers of the company were given disciplinary warnings; Zhonghe failed to comply with relevant requirements on establishing a special emergency management mechanism for handling emergencies in debt financing instruments, and also was not active in cooperating with lead underwriters during their investigation and supervision, so it was delivered a notice of criticism and ordered for a public apology.

NAFMII News (Currently Only Available in Chinese)

http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201408/t20140826_36369.html

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Regulatory Developments

CBRC solicits public comments on “Guidelines on Consolidated Account Management and Supervision of Commercial Banks (Draft for Opinions)”

On August 27, CBRC issued the “Guidelines on Consolidated Account Management and Supervision of Commercial Banks (Draft for Opinions)”, a comprehensive revision of the “Guidelines on Consolidated Account Supervision of Banks (Trial)” published in 2008. The revised “Guidelines” include general provisions, scope of consolidated account management, business synergy, among others. The main revisions are as follows: First, it emphasizes that commercial banks should take primary responsibility for consolidated account management; second, it further clarifies the scope of account consolidation in line with the substantive principles of risk management; third, it adds requirements for business collaboration and overall risk management within bank groups; fourth, it adds requirements on corporate governance; fifth, it refines requirements on risk isolation; Sixth, it resumes contents on recovery plans.

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

CSRC issues the “Interim Measures for Supervision and Management of Private Equity Funds”

Recently, China Securities Regulatory Commission (CSRC) issued the “Interim Measures for Supervision and Management of Private Equity Funds”, effective as of the date of

promulgation. The “Measures” further define the following five institutional arrangements: first, it specifies the registration and filing system in full-bore caliber; second, it establishes the regime for qualified investors; third, it spells out clear fund-raising rules for private equity funds; fourth, it suggests relevant rules to standardize investment operations and behaviors; fifth, it establishes an institutional arrangement which allows application of differentiated industry self-regulation and supervision to different categories of private equity funds.

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

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