

NAFMII News

NAFMII and IFC held a “Capital Markets Development in China: Securitization a key Ingredient” conference in Beijing on 4th July

NAFMII and International Finance Company(IFC), the member of World Bank Group, held a professional conference on 4th July with the theme of “Capital Markets Development in China: Securitization a key Ingredient”. More than 220 representatives from supervision organizations like Ministry of Finance, People’s Bank of China, China Banking Regulatory Commission, China Securities Regulatory Commission, China Insurance Regulatory Commission and from financial institutions, foreign embassies, international organizations, and news media of China, the United States, Canada, Australia, Luxembourg, Spain and Brazil attended the conference. Dr. SHI Wenchao, Secretary-General of NAFMII and Mr Jingdong HUA, Vice President and Treasurer of IFC attended the conference and delivered opening remark. Experts from market frontline had in-depth discussions on topics such as design of product structure, means of credit enhancement, key elements of information disclosure, characteristics of different asset pools, risk retention, credit rating, cost control, bankruptcy remote, true sale and off-balance-sheet of underlying assets. The conference has been spoken highly by both participants and market members.

NAFMII releases research report on “Optimizing Government Regulation - Enlightenment of Reaganomics on the Economy of China”

How to properly delineate the boundaries between the government and the market is not only an important proposition in economic research, but also a test of the wisdom of policy makers of each country. In fact, the essence of Reaganomics it is to rectify the over-expansion of government function and excessive intervention of the U.S. government in the economy in the 1960s and 1970s, so that government regulation on the economy will fall back within the efficient boundary. When the market-oriented reform of the Chinese economy comes to a new starting point, especially when the development of China's financial market is faced with new opportunities and challenges, it is instructive for us to have a proper delineation of the boundaries between the government and the market by reviewing experiences and lessons of the government function transformation in the development of U.S. market economy.

[Report Abstract](#) (currently only available in Chinese)

PBC increases rediscount limit to support financial institutions to expand credits for small and micro enterprises and “Agriculture, Countryside and Farmers”

The People’s Bank of China (PBC) recently instructed some branches and sub-branches to increase rediscount limit of CNY 12 billion so as to support financial institutions to expand credits for small and micro enterprises and “Agriculture, Countryside and Farmers”. The incremental rediscount limit arranged this time is specifically required to be used for financial institutions to expand credits for small and micro enterprises and “Agriculture, Countryside and Farmers”. The central bank also requires financial institutions to strengthen management on rediscount business through such means as giving priority to agriculture-related enterprises, making selection on bills, improving efficiency and strengthening monitoring and assessment.

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

CSRC issues the “Measures for the Administration of the Customer Asset Management Business of Securities Companies” and the “Administrative Measures for the Client Asset Management of the Securities Firms and the Detailed Implementing Rules”

On June 28, China Securities Regulatory Commission (CSRC) issued amendments to the “Administrative Measures for the Client Asset Management of the Securities Companies” (“Administrative Measures”) and the “Administrative Measures for the Client Asset Management of the Securities Firms and the Detailed Implementing Rules” (“Implementing Rules”). The revised “Law on Securities Investment Fund” (“Fund Law”) came into effect on June 1, 2013. This revision of the Administrative Measures and the Implementing Rules is to facilitate the implementation of the new Fund Law. Clauses that have conflicts with the new Fund Law have been revised to ensure the consistency. Other than that, no revision has been made to other clauses.

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

CSRC releases 2013 Revised Rules on Semi-annual Report of GEM-listing Companies

On June 28, the China Securities Regulatory Commission (CSRC) officially issued the “Rules No. 31 on Contents and Format of Information Disclosure by Companies Publicly Issuing Securities- Contents and Format of Semi-annual Report of GEM-listing Companies”(2013 Revision) (Rules on Semi-annual Report of GEM-listing Companies), which took effect as of the publication date. The main amendments include: increasing the information disclosed herein to highlight the characteristics of GEM; attaching importance to risk factor disclosure to fully reveal risks; streamlining summary of semi-annual reports to improve disclosure relevance; promoting electronic disclosure to reduce disclosure cost; and making necessary adjustments, supplement and refinement for some clauses.

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

**Macro & Financial
Market News**

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CBRC said that it plans to expand pilot programs for consumer finance companies

On June 29, the non-banking department at CBRC revealed that they have been intensively revising the “Interim Rules for Consumer Finance Firms” (Pilot Measures), to further expand the scope and increase the number of consumer finance companies. Currently, pilot programs for consumer finance companies have been initially carried out in four cities, i.e. Beijing, Shanghai, Tianjin and Chengdu.

According to statistics, currently assets of all pilot consumer finance companies reached CNY 6.3 billion, loan outstanding was more than CNY 80 billion with a total of 390,000 accounts; however, microfinance’s amount was only CNY 4,000.

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

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