

## NAFMII Related

### Latest NAFMII Data as of December 13, 2013

- The newly issued non-financial enterprises debt financing instruments through NAFMII in 2013 reached 2.8 trillion yuan (private placement product reached 449 billion yuan), accounting for 83.1% of the total volume of corporate bonds issued this year; the accumulated issuance volume of the instruments reached 11.1 trillion yuan, accounting for 73.7% of the accumulated volume of corporate bonds; the outstanding volume of the debt financing instruments amounted to 5.39 trillion yuan, accounting for 65.3% of the total corporate bonds outstanding.
- 4,244 market participants had joined NAFMII membership, including 206 banking institutions like policy banks, commercial banks and credit unions; 203 non-bank financial institutions like securities, insurance and finance companies; 8 financial intermediaries; 723 intermediaries like rating agencies, accounting firms and law firms; 3,093 enterprises; 1 institutions of other areas; and 10 individual members.
- A total of 724 institutions (including 579 non-financial institutions and 1 investment entity with non-legal person status) completed the filing procedures for the signing of 2,489 copies of the Master Agreement on Trading Financial Derivatives in China's Interbank Market (NAFMII Master Agreement); 344 market institutions signed 1,933 Master Agreement on Bond Repurchase Transactions; 54 market institutions signed the Master Agreement on Loan Transfer; 22 market institutions signed the Master Agreement (Warranty); 57 institutions registered for Forward Rate Agreement (FRA) qualification and 105 institutions registered for Interest Rate Swap (IRS) qualification; and there were 46 Credit Risk Mitigation (CRM) traders, 26 core traders and 30 CRMW creation institutions.

## Regulatory Developments

### PBC and CBRC joint clarify the credit risk retention ratio of securitizer

PBC and CBRC joint release the Document for Requirement of Credit Risk Retention Ratio of Securitization, requiring credit risk retention ratio should not be less than 5 percent of the issuance scale of every single securitization product. And the retention ratio of the most junior tranche should also not be less than 5%. This

regulation comes into effectiveness since it is promulgated.

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

**Macro & Financial  
Market News**

**Debt Conversion is allowed for Local Government Platform Company**

NDRC states the local government platform companies will be allowed to issue new debt to refund the short-term and high interest debt, intensifying debt restructuring. For the platform companies which face capital gap and cannot complete the construction, can be allowed to issue moderate scale of new debt for refunding and unfinished project.

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inquiry, please contact:**

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