

NAFMII Related

NAFMII takes self-disciplinary actions against a number of non-compliant institutions

1) Qingdao Dongyi Industry Corporation, as issuer, failed to make timely, accurate and complete information disclosure for gratuitous transfer of assets, and did not timely convene the Meeting of Holders. The company was thus given disciplinary warnings and ordered to make rectifications. Related business was suspended for a period of three months, and the persons held directly responsible were punished with admonishing talks.

2) Kaiyuan Hotel, as issuer, made false disclosure in its registration and issuance documents and did not timely make disclosure on a number of significant issues in the duration of debt financing instruments. Huaxia Bank, as lead underwriter, failed to fully fill its duty and responsibility; Zhejiang Zhejing Law Firm failed to follow complete due diligence procedures. As a result, Kaiyuan Hotel was given serious disciplinary warnings and ordered to make rectifications and apologies, and related business was suspended (for a period of one year); Huaxia Bank and Zhejiang Economic Law Firm, as well as persons held directly responsible were given a circular notice of criticism.

3) Seven companies and credit enhancement institutions failed to make timely disclosure or compliant disclosure in their 2013Q3 financial statements disclosure. Five of them were given a circular notice of criticism and ordered to make rectifications. The other two institutions were subject to separate punishment decisions from self-regulatory disciplinary meeting due to the seriousness of non-compliance.

NAFMII Announcement (Currently Only Available in Chinese)

1. http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201401/t20140121_28919.html
2. http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201401/t20140121_28920.html
3. http://www.nafmii.org.cn/zlgl/zwrz/zlcf/201401/t20140121_28921.html

Infrastructures”. Among those to be evaluated are China Foreign Exchange Trade Center System (CFETS), China National Clearing Center of the People's Bank of China, China Government Securities Depository Trust & Clearing Co. Ltd. (CDC), China UnionPay Co., Ltd., Interbank Market Clearing House Co., Ltd., Clearing Center for City Commercial Banks, Rural Credit Banks Funds Clearing Center, China Securities Depository & Clearing Corporation Limited (CSDCC), Zhengzhou Commodity Exchange, Shanghai Futures Exchange, Dalian Commodity Exchange and China Financial Futures Exchange and its Payment Systems (PS), Central Securities Depository (CSD), Securities Settlement System (SSS), Central Counterparty Payment (CCP) and Transaction Database (TR) (hereinafter referred to as financial market infrastructures). With Principles for financial market infrastructure: Disclosure framework and Assessment methodology released by CPSS and IOSCO as evaluation method, the evaluation will be carried out in two stages - internal and external evaluation.

Should you have any inquiry, please contact:

Zhou, Ying

zhouying@nafmii.org

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

Disclaimer: NAFMII does not guarantee the accuracy of the information contained in the newsletter. Materials and data provided here are intended for general informational purposes only, and are not intended to provide specific investing, tax, business or legal advice to any individual or entity. Certain contents of this newsletter are copyrighted by NAFMII. You agree that information provided on this newsletter will be used solely for your own personal, noncommercial use and benefit, and this information is not to be distributed, sold, transferred or otherwise made available to third parties. You may not copy, recompile or create derivative works from the information provided on this newsletter. Readers are urged to consult with their own advisors before taking action based on any information appearing on this newsletter.