

NAFMII Related

Credit Risk Management (3rd Edition) officially published

Credit Risk Management (3rd Edition), a book in the *NAFMII Translation Series on Financial Issues*, was officially published in January 2014. The book gives a detailed account of credit risks in three parts: introduction, measurement and management, integrating theory and practice, as well as emphasizing logic and integrity of knowledge system by accurately and systematically expounding the basic concepts on credit risk measurement and management. Until now, all the six books in the *NAFMII Translation Series on Financial Issues* have been published, which includes *Secrets of the Banks*, *Monetary Policy: Theory and Practice*, *Introduction to the Bond Market*, *Introduction to the Repo Market*, *Corporate Financial Strategy and Credit Risk Management*.

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

Regulatory Developments

Shanghai FTZ introduces First Detailed Rules

On February 18, the “Implementation Opinions on Shanghai Payment Institutions Carrying out Cross-border RMB Business” was officially released, which conducts cross-border RMB business post-filing and negative list management on payment institutions. At the same time, the Opinions require payment institutions to carry out cross-border RMB payment services in strict compliance with the regulatory requirements on customer excess reserves and risk management, strictly establish and implement customer real-name system, risk rating management, risk reserves, transaction compensation, transaction and information security management.

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

CBRC adds Interbank Business and Wealth Management Business into New Liquidity Measures

CBRC issued the “Administrative Measures for Liquidity Risk Management of Commercial Banks (Trial)”, requiring commercial banks to effectively identify, measure, monitor and control liquidity risks in all lines of business including interbank business and wealth management. It also requires commercial banks' liquidity coverage ratio reach 100% by the end of 2018, and during the transition period, the ratio reaches 60%, 70%, 80% and 90% respectively by the end of 2014,

2015, 2016 and 2017.

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

NDRC and CBRC jointly issue a document to specify government guided-prices, government pricing catalogue, and charges and standards for commercial banking services

On February 14, the National Development and Reform Commission (NDRC) and China Banking Regulatory Commission (CBRC) jointly issued the “Notice on Printing and Distributing Government Guided-Prices and Government Pricing Catalogue for Commercial Banking Services”, which specifies commercial banks implement government-guided prices and government pricing management when offering basic financial services to customers, including telegraph transfer, cash remittance, cash withdrawal, bills and other services. The specific charges and standards are subject to “Government Guided- Prices and Government Pricing Catalogue for Commercial Banking Services”.

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

CIRC releases Notice on Strengthening and Improving Supervision over Insurance Fund Use and Proportion

On February 19, China Insurance Regulatory Commission (CIRC) issued and implemented the “Notice on Strengthening and Improving Supervision over Insurance Fund Use and Proportion”, which specifies the proportion of three types of insurance investment, with the proportion of the book balances of equity assets, real estate assets, other financial assets, as well as overseas investment to the insurance companies’ quarter-end total assets cannot be higher than 30%, 30%, 25% and 15% respectively. The Notice also requires companies to enhance their own risk liability and establish dynamic adjustment and protection mechanism.

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

Should you have any inquiry, please contact:

Zhou, Ying

zhouying@nafmii.org

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.