

NAFMII Related

NAFMII takes self-disciplinary actions against a non-compliant company

Hangzhou City Construction Investment Group Co., Ltd., as issuer, misused RMB 573 million out of the RMB 1.3 billion raised fund against agreed purposes as prescribed in the prospectus and failed to disclose this information in advance. According to relevant self-regulatory rules and regulations, Hangzhou City Construction Investment was given a circular notice of criticism and ordered to make rectifications, and the direct responsible persons were punished with admonishing talks.

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Regulatory Developments

Implementation Rules for Foreign Exchange Management of Shanghai FTZ issued

PBC issued “Notice on Implementation Rules for Foreign Exchange Management of Shanghai Pilot Free Trade Zone”, which includes the following new measures: it simplifies FX sale and purchase documents check under current accounts as well as FX registration procedures for direct investment, allowing foreign-invested enterprises to settle their Non-RMB capital fund at their will; it removes administrative approval for external guarantee and guarantee fee paid to overseas business, lifts the ceiling for overseas foreign exchange loan by enterprises within FTZ, and abolishes debt approval for overseas financial leasing, allowing domestic financial leasing businesses to receive rents in foreign currency; it improves pilot policies on MNC headquarters’ centralized operation and management of foreign exchange funds, foreign currency cash pool and FX management of international trade settlement center, relaxing pilot enterprises conditions and streamlining approval process and account management; it improves management on FX sale and purchase and facilitates banks within FTZ to carry out OTC commodity derivatives targeted at customers within FTZ.

Should you have any inquiry, please contact:

Zhou, Ying

zhouying@nafmii.org

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