

NAFMII Related

Accounting Professional Committee of NAFMII established in Beijing

On June 26, 2014, the Inauguration Meeting & the First Working Meeting of the Accounting Professional Committee of NAFMII was convened in Beijing. The establishment of the Accounting Professional Commission is another initiative NAFMII takes to make full use of the expert panel review mechanism to improve the self-regulatory management in the inter-bank market. The Professional Committee will bring together experts from various fields, such as government departments, industry self-regulatory organizations, accounting firms and financial institutions, to conduct in-depth researches and provide expert advice on accounting issues in relation to market development norms. This is aimed to promote the formulation of accounting rules and optimization of the market system in the inter-bank market, and enhance communication among market participants in the field of accounting. [NAFMII](#) (Currently Only Available in Chinese)

Regulatory Developments

PBC improves Supervision of Foreign Exchange Settlement and Sales Operations by Banks

The People's Bank of China (PBC) amended the “Provisional Procedures for Designated Bank's Purchase and Sale of Foreign Exchange”, and published the “Administrative Measures for Foreign Exchange Settlement and Sales Operations by Banks” which will take effect as of August 1, 2014 and the previous “Provisional Procedures” shall be annulled simultaneously.

Major amendments to the Administrative Measures include: first, it divides the foreign exchange business into spot foreign exchange and RMB and foreign exchange derivatives, and makes separate management standards; second, it lowers market entry criteria for foreign exchange business by banks and simplifies market access management; third, it gives greater autonomy to the banks; fourth, it removes some administrative licenses and qualification requirements, enabling the shift from prior approval to post-regulation; fifth, it amends some provisions on penalties based on foreign exchange practices. The introduction of the Administrative Measures does not affect the qualifications of banks in foreign exchange business.

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

PBC signs Memorandum of Cooperation with the Banque de France and the

Banque Centrale du Luxembourg on the establishment of RMB clearing arrangements in Paris and Luxembourg, respectively

On June 28, 2014, the People's Bank of China (PBC) signed Memorandum of Cooperation with Banque de France and the Banque Centrale du Luxembourg on the establishment of the RMB clearing arrangements in Paris and Luxembourg, respectively. Clearing banks will be designated by the People's Bank of China later in Paris and Luxembourg. The establishment of the RMB clearing arrangements in Paris and Luxembourg will promote the use of RMB in cross-border transactions by enterprises and financial institutions, and further facilitate bilateral trade and investment.

[PBC](#)(Currently Available in English)

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