

PBOC publishes 2014 Financial Statistics Report

Recently, the central bank published 2014 Financial Statistics Report. As stated in the Report, in 2014, China's broad money grew 12.2%, narrow money grew 3.2%; RMB-denominated loans increased by 9.78 trillion yuan, foreign currency loans rose by 58.2 billion US dollars; RMB-denominated deposits increased by 9.48 trillion yuan, foreign currency deposits rose by 108.4 billion US dollars; in December, monthly weighted average interest rates of interbank lending and pledged bond repo were both 3.49%; the balance of national foreign exchanges reserves totaled at 3.84 trillion US dollars; annual cross-border RMB trade settlement cumulatively reached 6.55 trillion yuan, RMB Settlement for foreign direct investment cumulatively amounted to 1.05 trillion yuan.

<http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2015/20150115091411484569100/20150115091411484569100.html>

PBOC publishes 2014 Social Financing Statistics Report

According to the Report, China's total social financing in 2014 stood at 16.46 trillion yuan, 859.8 billion yuan less than last year. At the same time, RMB-denominated loans increased by 9.78 trillion yuan, up 890 billion yuan from one year earlier; foreign currency loans equivalent to RMB rose by 355.4 billion yuan, down 229.4 billion yuan from one year earlier; entrusted loans grew by 2.51 trillion yuan, 39.6 billion yuan less than last year; trust loans rose by 517.4 billion yuan, down 1.32 trillion yuan from one year earlier; non-discounted bankers acceptance reduced by 128.5 billion yuan, 904.1 billion yuan less than last year; net corporate bond financing hit 2.43 trillion yuan, up 614.2 billion yuan from one year earlier; non-financial enterprise onshore stock financing was 435 billion yuan, up 213.1 billion yuan from one year earlier. In December 2014, total social financing amounted to 1.69 trillion yuan, rose by 548.6 billion yuan and 441.3 billion yuan, respectively, compared with last month and last year.

<http://www.pbc.gov.cn/publish/goutongjiaoliu/524/2015/20150115091508168618293/20150115091508168618293.html>

CSRC allows Shanghai Stock Exchange to start trial trading in stock options

The China Securities Regulatory Commission (CSRC) recently approved trial trading in stock options on the Shanghai Securities Exchange (SSE), beginning with the SSE50 ETF on February 9, 2015. The trial of stock options is conducive to improving the capital markets' risk management functions and price discovery mechanism, enriching trading products and trading mechanism, reducing market volatility, fostering institutional investors, enhancing competitiveness of the industry, and is of great significance to promoting the healthy development and enhancing the global competitiveness of China's capital markets, as well as its ability to serve the real economy.

http://www.csrc.gov.cn/pub/newsite/zjhxwfb/xwdd/201501/t20150109_266372.html

CSRC releases the *Measures for the Administration of Trial Scheme on Stock*

Options Trading and supporting rules

Stock options is a financial derivative closely connected with futures and stocks. At present, spot trading of securities and futures trading in China are respectively governed by the *Securities Law* and the *Regulations on the Administration of Futures Trading* (hereinafter referred to as the "Regulations"). CSRC, in accordance with the mandate of the *Securities Law* and the Regulations, has formulated the *Measures for the Administration of Trial Scheme on Stock Options Trading* (hereinafter referred to as the "Measures") and the *Guidelines for Securities Houses and Futures Institutions Engage in the Trial Scheme on Stock Options Trading* (hereinafter referred to as the "Guidelines") in the form of departmental regulations and normative documents respectively, providing higher-level law basis for stock options trading. The Measures referenced the style of the Regulations, is comprised a total of 30 provisions, and covers five aspects including "Stock Option Trading Places and Settlement Institutions", " Securities Houses And Futures Companies' Business Licenses Related to Stock Options", "Investor Protection", "Risk Control Measures For Stock Options", and "Other Provisions". The Guidelines is comprised a total of 34 provisions, and covers three aspects including "Requirements for Securities Houses and Futures Institutions Engage in Stock Options Brokerage Business", "Requirements for Proprietary, Market-making, and Asset Management Businesses of Securities Houses and Futures Institutions Participant in Stock Options", and "Regulatory Requirements for Strengthening Internal Management and Computing Risk Indicators by Securities Houses and Futures Institutions".

http://www.csrc.gov.cn/pub/newsite/zjhxwfb/xwdd/201501/t20150109_266370.html

CIRC deliberates and approves Solvency II regulations

In the afternoon of January 13, the main technical standards for China's Second-Generation Solvency Regulatory System (referred to as Solvency II), which is comprised a total of 17 regulations, have been deliberated and approved by CIRC's chairman and general management panel, and will be officially promulgated soon. This is a real milestone for the development of China's new solvency regulatory system. From 2015 onwards, the insurance industry will enter a preparation period for the implementation of Solvency II.

<http://www.circ.gov.cn/web/site0/tab5174/info3947908.htm>