

**Regulatory
Developments**

The People's Bank of China deepens bilateral financial cooperation with the National Bank of Kazakhstan

On December 14, 2014, authorized by the State Council, the people's Bank of China (PBC) signed a bilateral local currency swap agreement and a new bilateral local currency settlement and payment agreement with the National Bank of Kazakhstan in Astana. The amount specified in the local currency swap agreement is 7 billion yuan, or 200 billion Kazakhstani tenge, with an effective period of three years and may be extended by mutual consent. With the signing of the bilateral local currency settlement and payment agreement, local currency settlement expands from border trade to general trade. Economic entities from both countries will be able to conduct settlements and payments for trade of goods and services with a currency of their choice, either a freely convertible currency, RMB or the tenge. ([PBC News](#) Chi)

CIRC allows insurance capital to invest in VC funds aimed at supporting the healthy development of startups and SME businesses

The China Insurance Regulatory Commission (CIRC) recently issued and circulated the Notice on Matters Related to Insurance Capital Investing in Venture Capital Funds. The Notice sets specific provisions for capital investing in venture capital funds in terms of basic requirements, behavior standards, risk control, and monitoring and management. First is to draw a reasonable scope for venture capital funds and startups to invest. Second is to set clear standards for fund management institutions and funds. Third is to strengthen the principle of investment diversification. Fourth is to have good convergence in investment policy. Fifth is to improve on-going and aftermath supervision. ([CIRC News](#) Chi)

**Macro & Financial
Market News**

The People's Bank of China released financial market data for November 2014

According to the November 2014 financial market data release by the PBC, from January to November 2014, China's financial market operated in a stable manner. In November, compared with last month, issuance volume of the bond market reduced, monetary market turnover dropped with major interest rates had a upward shift, daily spot turnover remained unchanged, interbank and exchange bond market indices continued to rise, Shanghai Composite Index and Shenzhen Component Index soared with daily average turnover increased significantly. ([PBC News](#) Chi)

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.